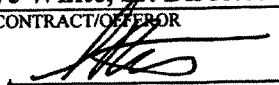



<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>				1. CONTRACT ID CODE		PAGE OF PAGES <b>1</b>   <b>4</b>	
2. AMENDMENT/MODIFICATION NO. <b>P00005</b>		3. EFFECTIVE DATE <b>SEE BLOCK 16C</b>		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
ED BY <b>COMMANDER,</b>		CODE <b>N00039</b>		7. ADMINISTERED BY (If other than Item 6)		CODE	
<b>SPACE AND NAVAL WARFARE SYSTEMS COMMAND</b> <b>4301 PACIFIC HIGHWAY</b> <b>SAN DIEGO, CA 92110-3127</b> Ellen Polen, 02-E (619)524-7388, ellen.polen@navy.mil				See Section G			
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State, and ZIP Code)				(4)			
				9A. AMENDMENT OF SOLICITATION NO.			
				9B. DATED (SEE ITEM 11)			
				10A. MODIFICATION OF CONTRACT/ORDER NO. <b>N00039-02-C-XXXX- 3238 EHP</b>			
				10B. DATED (SEE ITEM 13) <b>12 September 2002</b>			
CODE		FACILITY CODE					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; of (c) By separate letter of telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required) <b>Not Applicable</b>							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
(4)   A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. (Specify authority) THE CHANGES							
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)							
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
D. OTHER <b>X Mutual Agreement of the Parties</b>							
E. IMPORTANT: Contractor is not <b>X</b> is required to sign this document and return <u>1</u> copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)							

See attached pages.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type of print); KL		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or Print)	
<b>Steve White, Sr. Director of Contracts</b>		<b>Ellen H. Polen, Contracting Officer</b>	
15B. CONTRACT/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
	<b>5/08/03</b>		<b>9/26/03</b>
(Signature of person authorized to sign)		(Signature of Contracting Officer)	

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Prescribed by GSA

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE		PAGE OF PAGES 14		
2. AMENDMENT/MODIFICATION NO. P00005		3. EFFECTIVE DATE SEE BLOCK 16C		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY CODE		N00039		7. ADMINISTERED BY (If other than Item 6) CODE			
COMMANDER, SPACE AND NAVAL WARFARE SYSTEMS COMMAND 4301 PACIFIC HIGHWAY SAN DIEGO, CA 92110-3127 Ellen Polen, 02-E (619)524-7388, ellen.polen@navy.mil				See Section G			
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State, and ZIP Code)				9A. AMENDMENT OF SOLICITATION NO.			
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				10A. MODIFICATION OF CONTRACT/ORDER NO. N00039-02-C-XXXX			
				10B. DATED (SEE ITEM 13)			
CODE		FACILITY CODE		12 September 2002			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; of (c) By separate letter of telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

**Not Applicable**

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.	
<input checked="" type="checkbox"/>	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. (Specify authority) THE CHANGES
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
<b>X</b>	D. OTHER <b>Mutual Agreement of the Parties</b>

E. IMPORTANT: Contractor is not **X** is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

See attached pages.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type of print);KL		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or Print)	
		Ellen H. Polen, Contracting Officer	
15B. CONTRACT/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
_____ (Signature of person authorized to sign)		_____ (Signature of Contracting Officer)	

The purpose of this modification is to:

- (1) Modify Section B, Note 9;
- (2) Modify Section C as follows:
  - a. Section C-3, Phase II CLIN DESCRIPTIONS, are revised in part for CLINS 0100, 0200, 0201, 0202 in the paragraph relating to Tiers I, II and III support;
- (3) Modify Section H as follows:
  - a. Section H-13, GOVERNMENT PROPERTY FOR THE PERFORMANCE OF THIS CONTRACT, is revised in part to provide associated dates of each GFI document;
- (4) Modify Section L as follows:
  - a. Section L-16.4.2 is revised in part to clarify the Life Cycle Cost Estimate (LCCE);
- (5) Replace Attachment (2) Design Reference Mission dated 8 April 2003 with a new version dated 22 April 2003. Changes reside in the areas of Data Migration, Testing, Implementation Environment, Deployment and Sustainment;
- (6) Replace Attachment (7), Statement of Objectives. This is updated to correspond with the changes outlined in this P00005 and DRM; and
- (7) Revise Appendix G, WBS Dictionary, Index 1.14

Therefore, this contract is hereby modified as follows:

1. SECTION B – Note 9, is revised in its entirety, as follows:

“Note 9: The Government will only exercise the option for technical data rights once. There will be no propriety restriction on the Government or Government’s agent’s use of this information for the sole use of operating, maintaining and upgrading DIMHRS Program. The contractor will provide to the Government all data, software, and tools necessary to maintain and upgrade DIMHRS Program. All other uses may be restricted as identified by the contractor.”
2. Under SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK, the following changes are hereby made:
  - A. Section C-3, Phase II CLIN DESCRIPTIONS are clarified for CLINS 0100, 0200, 0201, 0202, as follows:
    1. CLINS 0100, 0200, 0201 and 0202 CLIN DESCRIPTIONS are revised in part to clarify the paragraph addressing Tiers I, II and III support as follows:

“...For CLINs 0100, 0200, 0201, and 0202, as well as associated CLINS, the following addresses Tiers I, II and III support: The necessary Tier I, II and III support is defined in the DRM, under Implementation Environment.”

3. Under Section H, the following change is made:

A. Section H-13, GOVERNMENT PROPERTY FOR THE PERFORMANCE OF THIS CONTRACT, is revised in part as follows:

1. Paragraph H-13 (c)(5), is revised in part to provide the dates associated with the list of Government Furnished Information, Paragraph, Agency Peculiar Property. The first bullet is hereby modified to read as follows:

- “The Government is providing the following GFI. These are listed in descending order of importance:

<u>GFI</u>	<u>DATE</u>
i. Bus Areas to FPA Mapping	Undated
ii. DIMHRS Function Point Analysis	12 Dec 2001
iii. GCSS CINC Requirements	10 Jun 1999
iv. CINC 129 (Category One) Spreadsheet	29 Nov 1999
v. DIMHRS Human Resources Management System PeopleSoft Supportability: Initial Analysis Report	17 Aug 2001
vi. PeopleSoft Global Analysis	22 Apr 2002
vii. Test and Evaluation Master Plan (TEMP)	14 Aug 2002
viii. C4ISP	01 Aug 2002
ix. High Level Fit/Gap Analysis*	03 Dec 2001
x. Analysis of Alternatives (AOA)	Oct 2002
xi. Economic Analysis (EA)	13 Sep 2002
xii. Cost Analysis Requirements Description (CARD) Alternative 1 (Buy) *(aka Software Analysis Team (SWAT) Report)	20 Aug 2002

The contractor shall not rely on any other documents or information it may have obtained to perform Phase II. Only the documents listed herein shall apply in the order of precedence presented in this contract. Reliance on any other documents or information may negatively impact the evaluation of the contractor’s proposal.”

4. Under Section L, the following change is made:

- A. Section L-16.4.2, Life Cycle Cost Estimate (LCCE), Table 1 is revised to add FY 04. Therefore, Operations and Support Cost will run from FY 04 through FY 25. Just following the table, the following language is hereby added:

“For Table 1, Operations and Support Costs, it is the Government’s intent to evaluate the Life Cycle Costs of the proposed solution for DIMHRS (Pers/Pay) for the life cycle FY 04 through FY 25. Relevant items from the table for this evaluation include: 1.01 Unit Level Contractor (Labor and Materials); 2.0 Other Contractor Support; and 3.0 Training, including 3.01 and 3.01. Other items from that table may not be applicable to this program. However, if applicable to the proposed solution, the other items should be included in the offeror’s proposal.

Labor costs should include all labor costs in the proposal (during the LCCE life cycle), including development, deployment, sustainment, and emergent requirements. Materials should include all material costs expected to be incurred by the Government to support the proposed solution for DIMHRS (Pers/Pay) for the duration of the life cycle, including development hardware, Tier I and Tier II hardware, maintenance and upgrades (or technical refresh), Tier I and Tier II software maintenance, and any other material costs proposed as an other direct cost applicable through the life cycle.”

5. Attachment (2), Design Reference Mission, is revised and replaced with the DRM dated 22 April 2003. Changes reside in the areas of Data Migration, Testing, Implementation Environment, Deployment and Sustainment.
6. Attachment (7), Statement of Objectives, is revised. This is updated to correspond with the changes outlined in this P00005 and the DRM.
7. Revise Appendix G, WBS Dictionary, Index 1.14, Post Implementation Support, Element Description, as follows:

**“Element Description – Technical Content:**

Perform sustainment activities for all engineering life cycle activities to include but not limited to, Post Implementation Review, Operational Assessment, Technology Refreshment, System Performance Assessment, System Sustainment, system Maintenance, help desk, call center, COOP/DR, software maintenance for upgrades, patches, and fixes.”

All other terms and conditions of this contract remain unchanged.

## Phase II Statement of Objectives

### C.1 GENERAL

The Department of Defense (DoD) requires a fully integrated personnel and pay capability. This capability not only needs to provide Military Services and their Components the capability to effectively manage their members across the full operational spectrum -- during peacetime, war, through mobilization and demobilization – but also provide an environment in which individual Service members can better manage their own careers.

A suite of Commercial-Off-The-Shelf (COTS) products, based on the *PeopleSoft* Human Resources Management System (HRMS), has been selected as the core products upon which DIMHRS (Pers/Pay) will be developed and fielded. The Government intends to use the *PeopleSoft* HRMS product without modification to the greatest extent possible, through Business Process Re-engineering, to meet the DIMHRS (Pers/Pay) requirements.

#### C.1.1 Purpose and Scope

The purpose of this Statement of Objectives (SOO) is to provide a framework for the Phase I Contractor to develop a Statement of Work (SOW) for Phase II that maps to the contract requirements, and will thereby satisfy the overall objectives of the program. The SOW, as negotiated, will be incorporated into the Phase II option exercise.

This contract provides two categories of documents, those providing fundamental requirements that must be satisfied by the Contractor (and therefore reflected in its SOW), and those providing information regarding the environment, scenarios, and other analyses regarding the PeopleSoft HRMS. The requirements documents are the ORD and DRM. Government Furnished Information (GFI) is provided in Section H-13 of the solicitation/contract.

### C.2 OBJECTIVES

The objectives of this DIMHRS (Pers/Pay) contract are as follows:

- a. Design DIMHRS (Pers/Pay) such that it is a single, integrated standard military personnel and pay system capable of supporting approximately 3.1 million military personnel of all Services and their Components at the Services' personnel support activities. DIMHRS (Pers/Pay) shall also be capable of supporting a surge of 33%.
- b. Maximize use of native PeopleSoft HRMS functionality as a means to reducing life cycle costs associated with COTS product upgrades and minimizing time and operational impact from upgrades. Minimize custom-developed solutions.
- c. Identify and reconcile any conflicts in the contract requirements to ensure a solid, executable functional baseline.
- d. Identify any gaps between the requirements and the PeopleSoft HRMS capability to enable technical, cost and business process engineering discussions potentially impacting DIMHRS business rules to be implemented by the D&I contractor. Ensure continued focus on COTS to develop solutions.
- e. Identify the legacy environment, including legacy systems that may be replaced by DIMHRS (Pers/Pay), and those with which DIMHRS (Pers/Pay) will be required to interface. Migrate data from legacy environment to DIMHRS (Pers/Pay) environment.
- f. Provide a data mart functionality, as well as an industry standard interfacing mechanism to provide a single, standardized interface for all systems external to DIMHRS (Pers/Pay), as a means to reducing DIMHRS system development and enable interfacing system evolution.

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**P00005**

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- g. Enable Government participation in controlling or reducing system development costs and risks through a series of system design and implementation reviews including in-depth review of final design, technical accomplishments, and remaining technical risks and major tasks to be accomplished. Enable the government to ensure all program requirements are satisfied by demonstrating, through tests or analyses, that the design and implementation satisfies all contract requirements.
- h. Using the design derived from the contract requirements, develop, implement, and deploy DIMHRS (Pers/Pay) for the Military Services and their components.
- i. In addition to the training requirements set forth in the DRM under “Deployment,” provide training mechanisms (such as computer- or classroom-based training for DIMHRS (Pers/Pay)) and train Government designated trainers (“train-the-trainer”) and maintainers on the use and maintenance of the DIMHRS (Pers/Pay) system, and supporting logistics, to enable the Government to support end user self-training, enable successful Government training of end users and maintainers, and enable Government assumption of responsibility for system maintenance.
- j. Provide sustainment and life cycle support for DIMHRS (Pers/Pay) to ensure cost effective maintenance of the system operational capability.
- k. Ensure all data, manuals, drawings, and information required to operate DIMHRS (Pers/Pay) is transferred to the Government to ensure configuration management of the system.
- l. Transfer ownership of any and all DIMHRS (Pers/Pay) hardware, software, licenses, database engines and associated data to the Government to enable government long-term maintenance, change, redesign or reprocurement in a cost effective manner. Also, see Section B, Note 9 of the contract regarding data rights.

# **Defense Integrated Military Human Resources System Personnel and Pay**

**(DIMHRS (Pers/Pay))**

**DEVELOPMENT & IMPLEMENTATION**

**DESIGN REFERENCE MISSION (DRM)**



**22 April 2003**

Prepared by:  
CAPT V.E. Carpenter, DIMHRS Joint Program Manager  
Program Executive Office for Information Technology (PEO(IT))

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**Distribution authorized to DoD components only.**

**Other requests shall be referred to:**

**Joint Program Management Office  
2251 Lakeshore Drive  
New Orleans, LA 70145**



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## **Purpose**

This Design Reference Mission (DRM) provides a summary description of the intended Defense Integrated Military Human Resource System (DIMHRS) Personnel and Pay (Pers/Pay) environment and operation. It is provided for use by Industry Proposal Teams in their preparation of proposals for the development and implementation of DIMHRS (Pers/Pay) system.

This document describes DIMHRS (Pers/Pay) anticipated scenarios and environment as envisioned by the DIMHRS Joint Program Management Office (JPMO) in producing and fielding DIMHRS. This document also addresses pertinent technical and cultural issues that must be considered in developing and implementing the DIMHRS (Pers/Pay) solution. The goal of this DRM is to provide relevant information and operational concepts to companies that will potentially bid on the DIMHRS (Pers/Pay) Development and Implementation (D&I) contract.

## Goals

DIMHRS (Pers/Pay) will provide a single integrated human resources system for personnel and pay functionality that supports the four Military Services (Army, Navy, Air Force, and Marine Corps), a total of ten Components (Active, Guard, and Reserve), as well as Defense Agencies and the Unified Commanders in Chiefs. DIMHRS (Pers/Pay) will meet Department of Defense (DoD) requirements for functionality, technical architecture, performance, availability, accessibility, and flexibility.

DIMHRS (Pers/Pay) will support approximately 3.1 million military personnel from all of the military Services of which 2.5 million personnel may require pay servicing at any given time. In the event of mobilization, DIMHRS (Pers/Pay) will expand capacity to meet personnel augmentation of active duty, reserve, and guard organizations, and other designated groups in a wartime (surge) scenario. Projected expansion of personnel supported is 33 % during mobilization.

DIMHRS (Pers/Pay) will collect, store, pass, process, and report personnel and pay data for military personnel. In addition, DIMHRS (Pers/Pay) will also provide the capability to collect, process, and report data on military dependants, DoD-sponsored civilians, and designated foreign military personnel deployed to or in a theater of operations as required during specified contingency, wartime and non-combatant evacuation operations. DIMHRS (Pers/Pay) will maintain information on retirees and survivor personnel. Retirees and annuitants will continued to be paid by the Defense Retired Annuitant Pay System (DRAS).

DIMHRS (Pers/Pay) will establish a single integrated database for personnel and payroll that is common to all Services. Processes supported by targeted legacy systems will make up the core capability of DIMHRS (Pers/Pay) unless re-engineering eliminates the process. While the Services and DFAS retain their Congressionally mandated Title 10 (Armed Forces), Title 32 (National Guard), and Title 37 (Military Pay) responsibilities of the United States Code, DIMHRS (Pers/Pay) will provide common functionality, common information and data exchange, and associated common database capabilities. Required Service-specific practices not re-engineered will be incorporated into the DIMHRS (Pers/Pay) solution.

DIMHRS (Pers/Pay) will empower Service members to better manage their own personnel information. DIMHRS (Pers/Pay) facilitates service members ability to access to their personnel and pay information via self-service methods in order to change designated personal information such as mailing address, telephone number, number of dependents, tax info, etc., without visiting a personnel or pay office. DIMHRS (Pers/Pay) will allow service members to obtain needed support (e.g., duty status changes, pay and allowance updates) from any DoD personnel/pay office. DIMHRS (Pers/Pay) will enhance the support currently provided to each service member and make that support available in a greater number of circumstances and locations.

The goal of DIMHRS (Pers/Pay) is to provide a system that effectively and efficiently:

- ◆ Manage and pay Service members during peacetime, war, operations other than war, mobilization, and demobilization.
- ◆ Meet changing operational conditions and requirements for the individual and at the unit level.
- ◆ Support the full range of personnel life-cycle activities.
- ◆ Provide a one-stop administrative support capability.
- ◆ Provide for single one-time data entry.
- ◆ Generate standard and ad hoc reports to manage personnel and payroll functions.
- ◆ Reduce administrator, operator, and user workload. Although initial increases in effort may be experienced, the workload increase should not exceed two years.
- ◆ Support for DoD specific requirements:
  - Special categories of pay and allowances
  - Retroactive pay processing
  - Timely reaction to mandated personnel and pay changes
  - Service unique pay functionality where required

## Concept of Operations

DIMHRS (Pers/Pay); a standards-based DoD-wide military personnel management and pay system; uses best business practices leveraging the *PeopleSoft* HRMS product to include the *PeopleSoft* Global Payroll Module. Functionally, the environment provides a single logical personnel/pay record that supports the Service member from accession to retirement. DIMHRS (Pers/Pay) will provide access to information, via standardized interfaces, to authorized external users.

The Services and DFAS must retain existing missions for personnel and pay support, ensuring personnel operational readiness. DoD Human Resources organizations will use DIMHRS (Pers/Pay) at all echelons of command to support the personnel and pay functions. Future users of DIMHRS (Pers/Pay) capability include personnel/pay specialists, headquarters manpower programs, joint commanders receiving data, and authorized members. Managers and analysts in the Office of the Secretary of Defense (OSD), the Joint Staff, and other Federal Agencies will also use DIMHRS (Pers/Pay) data. DIMHRS (Pers/Pay) will support authorized users to securely access personnel and payroll account information via the web.

DIMHRS (Pers/Pay) facilitates management of individual and/or unit level mobilization, activation, contingency operations, and assignment information in any operational condition. The system will support personnel life-cycle activities such as accessing members, pay and benefits administration, tracking Service members in deployment and garrison status, separation, retirement, or transfer of members to other Services or Components.

## Development Environment

This section identifies and describes the anticipated environment for DIMHRS (Pers/Pay) development and the initial implementation of DIMHRS (Pers/Pay).

DIMHRS (Pers/Pay) will replace approximately 80 legacy DoD and Service systems. The DIMHRS (Pers/Pay) will enable phase-out and replacement of these legacy systems. Additionally, DIMHRS (Pers/Pay) must interface and interoperate with many other systems and provide for the exchange of DIMHRS (Pers/Pay) data via system interfaces.

A majority of the DoD and service systems interfaced with and/or replaced utilize a mainframe/terminal architecture utilizing COBOL and legacy database tools. The necessary and appropriate DIMHRS (Pers/Pay) interfaces to be developed are expected to employ Application Programmer Interface (API) mechanisms from the *PeopleSoft* HRMS package or alternative industry standard data exchange mechanisms. DIMHRS (Pers/Pay) developed interfaces will generally fall into one of two categories. The first category involves the development of an interface or data transfer mechanism required for a data transfer prior to phase out of the legacy system. The second category involves the development of an interface for an ongoing transfer of data between DIMHRS (Pers/Pay) and the persistent DoD systems.

DIMHRS (Pers/Pay) system will be developed and implemented using *PeopleSoft* HRMS software. The DIMHRS (Pers/Pay) development and implementation strategy is based on the fundamental approach that DIMHRS (Pers/Pay) will be fielded to the greatest extent possible utilizing the inherent capabilities of the *PeopleSoft* HRMS package with minimum custom modifications by adopting – not adapting – the business processes within the *PeopleSoft* HRMS package. Adopting is interpreted as the limited use of third party software, *PeopleSoft* extensions and/or writing custom software.

The DIMHRS (Pers/Pay) program includes the re-engineering of business practices that capture the best of both the private and public sector experiences. The DIMHRS (Pers/Pay) functional sponsor is the Joint Requirements and Integration Office (JR&IO) of the Office of the Undersecretary Secretary of Defense for Personnel and Readiness (OUSD P&R). JR&IO is leading the DIMHRS (Pers/Pay) business process re-engineering (BPR) efforts within the Military Services and Components for the DoD, sponsoring and leading a series of analyses efforts and activities related to organizational change management within the personnel and pay arena.

Functional teams from the JR&IO, DIMHRS (Pers/Pay) Joint Program Management Office (JPMO), The Defense Finance and Accounting Service (DFAS), and representatives from the Military Services are performing comprehensive analyses of the *PeopleSoft* HRMS package functionality and the DIMHRS (Pers/Pay) requirements. The Comprehensive Analysis Teams (CAT) are reviewing the functional, data, and architectural aspects of *PeopleSoft* HRMS for selected business areas as they relate to the personnel and pay requirements as detailed in the DIMHRS (Pers/Pay) ORD. The output from the CAT processes will include further refined DIMHRS requirements derived from the ORD at a level of detail that will support the

development and implementation of DIMHRS (Pers/Pay). The CAT outputs will be provided to the DIMHRS (Pers/Pay) JPMO for assignment and execution by the appropriate activity.

DIMHRS (Pers/Pay) will take an evolutionary approach to system development with incremental integration and deployment. A primary goal of the early increments is to implement required personnel and pay functionality that is common to the Services and Components, using the inherent capabilities of *PeopleSoft* HRMS without source code development or modification. Custom code development or modification of the COTS product will be strongly discouraged through the use of contracting incentive mechanisms.

Using the design derived from the contract requirements, the D&I contractor will develop, implement, and deploy the DIMHRS (Pers/Pay) for the Military Services and their components. Program and technical reviews will be conducted on a regular basis by the DIMHRS (Pers/Pay) JPMO. Technical reviews will be held to include design and development progress reviews (Preliminary Design Review (PDR), Critical Design Review (CDR), Interim Users Testing (IUT), Interim Progress Review (IPR) etc.). Program management reviews will cover cost, schedule, and performance.

## Development Cycle

DIMHRS (Pers/Pay) D&I contract requirements evolve from operational requirements, other program requirements, and JPMO analysis. The DIMHRS (Pers/Pay) program receives the system operational requirements from the functional sponsor through the Operational Requirements Document (ORD). The ORD is validated by the Joint Requirements Oversight Council (JROC) through a formal requirements generation process. The program is required to deliver a system that meets or exceeds the requirements of the ORD, or formally obtain a change to the ORD through this process.

The DIMHRS (Pers/Pay) JPMO then consolidates other program requirements, identifies system constraints, and generates documents intended to aid the D&I contractor in analyzing the contract requirements. However, only contractual documents specifically provided under the DIMHRS (Pers/Pay) solicitation and contract shall be relied upon by the D&I contractor. The development process starts with the ORD and allocation of the requirements for DIMHRS (Pers/Pay) functionality. Other program requirements come from DoD policy, program direction, interface & infrastructure constraints, and operational resolution from the DIMHRS (Pers/Pay) functional community and the system operational environment. The DIMHRS (Pers/Pay) D&I contract will also have a GFE constraint, as the Government has previously selected and procured a suite of COTS products, formed around the *PeopleSoft* HRMS, that is intended to meet the DIMHRS (Pers/Pay) ORD requirements. A separate selection of this suite, and its use as GFE in the D&I contract was done to resolve critical technical concerns in the area of scalability, cost effectiveness of a COTS –based system development, separation of the database from the processing to support a broader use of the data base in an Enterprise IT environment, flexibility for support of rapid changes in response to mandated personnel and pay policy changes, and security. The D&I contractor will ensure that these same concerns are addressed in the system design.

DIMHRS (Pers/Pay) technical constraints cited in contract requirements include commercial engineering and development standards (IEEE, ANSI, etc.), and Government standards and policies for Interoperability and Information Assurance (e.g. Defense Information Infrastructure - Common Operating Environment (DII-COE), Joint Technical Architecture (JTA), DoD Financial Management Regulation (DoD-FMR), and DoD Public Key Infrastructure (PKI), etc.).

The D&I Contractor is required to make best use of the *PeopleSoft* HRMS software in developing and implementing the DIMHRS (Pers/Pay) system. The DIMHRS (Pers/Pay) development and implementation strategy is based on the fundamental approach that DIMHRS (Pers/Pay) will be fielded to the greatest extent possible utilizing the inherent capabilities of the *PeopleSoft* HRMS package with minimum custom modifications by adopting – not adapting – the business processes within the *PeopleSoft* HRMS package.

Comprehensive Analysis Teams (CAT), overseen by JR&IO, are currently working to identify improved business processes by comparing the delivered COTS functionality to the current DoD methods in order to identify ‘Fits’ and ‘Gaps’. Review of the capability of the COTS - based commercial approach for pay and personnel management allows further evaluation of alternative delivery methods for required functionality. The CAT outputs include refined requirements



derived from the ORD, which will be provided to the DIMHRS (Pers/Pay) JPMO for assignment and execution by the appropriate activity. Additionally, CAT outputs will be used by the Services and Components to assist in planning for DIMHRS (Pers/Pay) implementation.

Requests for personnel and pay extensions to the *PeopleSoft* HRMS product are anticipated to provide a large portion of the anticipated issues submitted to the Issue Resolution Process described later. The Issue Resolution Process validates the necessity of any data extension requirements and, at a high level, identifies the relationship between those extensions and core personnel and pay functionality. DIMHRS (Pers/Pay) must include the ability to accommodate required non-core data extensions, their input and simple editing, extraction and an analysis capability to facilitate access to the data by the non-personnel and pay systems.

The D&I contractor may identify further opportunities for BPR during its work. These opportunities and the appropriate Government approval to modify the requirements will be addressed under the Issue Resolution Process, described in a following section. For any requirement modification, the D&I contractor will identify the change, its impact on program schedule, the development and total program cost, and a required decision date with an estimate of the extent of impact. These impacts may range from a simple extension of the data model to incorporate new fields for enhanced processes, to complex changes to law.

DIMHRS (Pers/Pay) requirements will be allocated against one or more DIMHRS (Pers/Pay) increments for development and implementation. The allocation will be determined by a number of factors including the source/applicability of the requirement (common vs. Service unique), the degree of Fit/Gap, any legacy system retirement implications, and the ease of implementation. The D&I contractor will develop the allocation of functionality based on their experience with the implementation of COTS-based systems.

Effective requirements management minimizes multiple and redundant processes across Services and Components. The unification of processes and requirements creates consistent meaning and use of data. Minimizing the tailoring and modification of the COTS product directly reduces the impacts to the cost of implementing software upgrades and maintenance for the fielded DIMHRS (Pers/Pay) solution. Management of “Requirements Creep” will be facilitated by the issue resolution process, which will address and coordinate those issues, which could expand the requirements of DIMHRS (Pers/Pay).

Analysis of the best methods for the development of required functionality will include assessing of impact to program total ownership costs. This approach should provide the best overall solution set, and minimizes total cost of meeting the gaps while minimizing negative impacts to system performance. The Government expects that experience in implementing the *PeopleSoft* HRMS will allow the D&I contractor to leverage existing products to reduce program risk areas such as data migration, security and the gaps identified in the various studies.

## **Functional Requirements Issue Resolution Process**

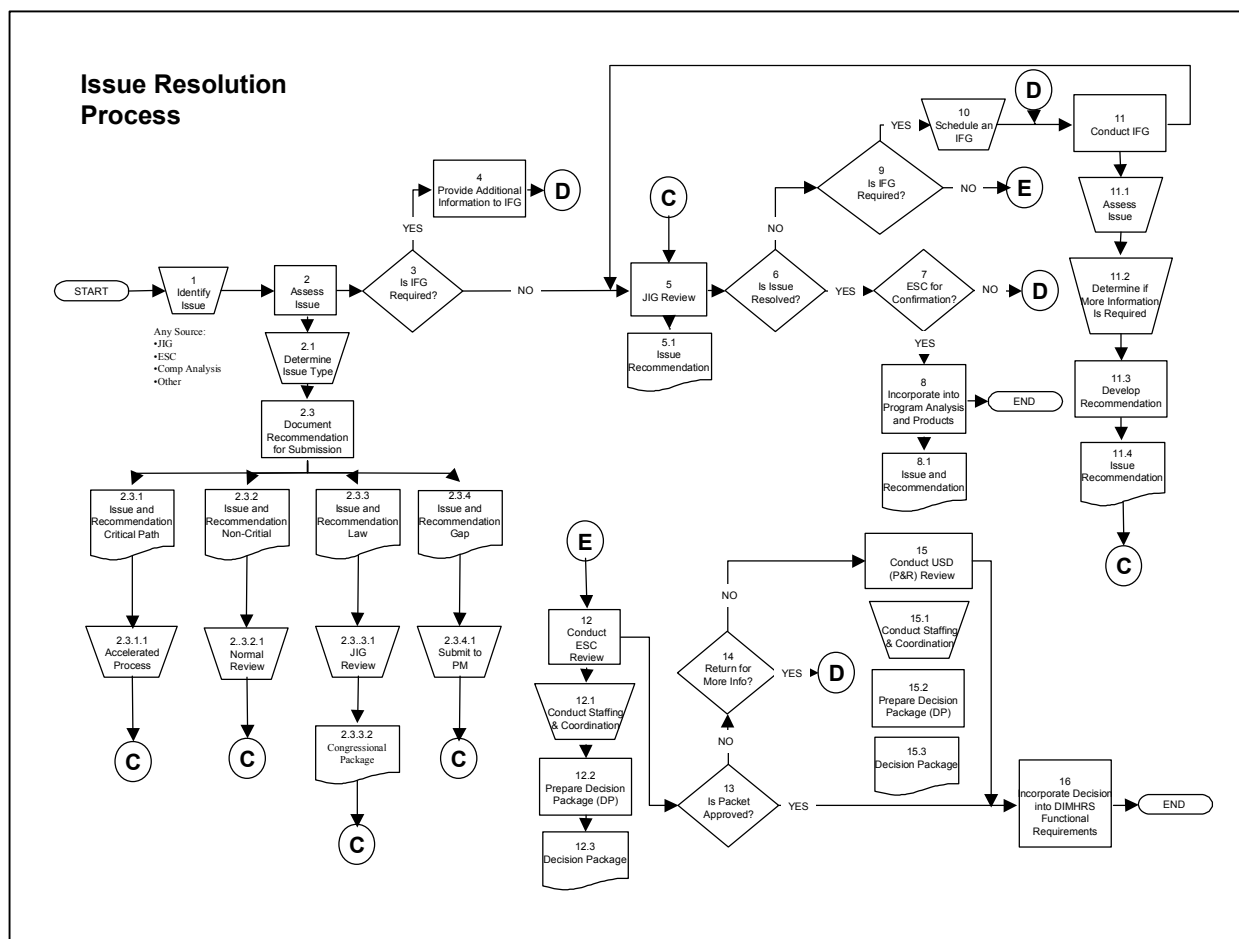
A key to successful execution of the DIMHRS (Pers/Pay) program lies in functional requirements management. Functional requirements are the detailed description and rules by which a particular process is to be conducted. JR&IO has defined a process to facilitate timely resolution of issues related to functional requirements. The DIMHRS Program functional requirements issue resolution process is depicted in the figure 1.

The process provides the path that will be followed to resolve requirements issues. The intent is to resolve issues at the lowest level possible. Issues are categorized as Critical Functional Issues, Non-Critical Functional Issues, Law Issues, and Gap Issues. This categorization provides the priority as Critical Functional Issues are accelerated throughout the process. The D&I contractor's role in the Functional Requirements Issue Resolution Process is that it will identify issues to the DIMHRS (Pers/Pay) JPMO. The DIMHRS (Pers/Pay) JPMO will then elevate the issues to the JR&IO for resolution.

The DIMHRS Joint Integration Group (JIG) first reviews issues. Requirements involving changes to statute may ultimately be elevated to Congress. The JIG may resolve issues and if so will attain DIMHRS Executive Steering Committee (ESC) concurrence. The Issue Focus Group (IFG), an ad-hoc group sponsored by the Principal Staff Assistant (PSA)/Agency lead, provides issue assessment and resolution recommendation as requested by either the JIG or the ESC.

Issues that cannot be resolved by the ESC will be forwarded to OUSD P&R for review and decision. Issues will be resolved in a timely manner as to minimize Program schedule risk. The JPMO will communicate to the JR&IO the date that the issue must be resolved and will develop a risk mitigation strategy for any risks created by delay in issue resolution. If the resolution requires a change or addition to the Program's functional requirements, the JPMO will assess the impact to cost, scope, and schedule, and provide the results of this analysis to OUSD P&R.

The IFG is modeled on a completed series of Compensation Focus Groups sponsored by the Deputy Assistant Secretary of Defense (DASD) Manpower and Policy (MPP) and supported by the JR&IO. Regardless of which level an issue is resolved, reports of disposition of closed issues will be provided to the ESC.



**FIGURE 1 —Functional Requirements Issue Resolution Process**

## **Operational Expectations**

DIMHRS (Pers/Pay) interoperability will provide authorized external systems with the personnel and pay data they require. This capability will provide increased levels of service and accuracy through timely receipt of information.

DIMHRS (Pers/Pay) will operate within the DoD environment. This includes compatibility with existing standards as specified in the Joint Technical Architecture (JTA), the DoD Financial Management Enterprise Architecture, and other DoD mandated standards.

DIMHRS (Pers/Pay) will maximize efficiency and performance in adverse environments, and integrate/or interface with DoD and external systems. DIMHRS (Pers/Pay) will also meet DoD security guidelines and prohibit unauthorized access to or disclosure of personnel data. DIMHRS (Pers/Pay) will support rapid implementation of legislative and policy changes.

DIMHRS (Pers/Pay) implementation within the US Army is planned to be first, followed by the Navy, Marine Corps, and Air Force. The DIMHRS (Pers/Pay) JPMO will maintain configuration management authority and oversight for fielded DIMHRS (Pers/Pay) releases and updates of fielded configurations.

## Data Migration

DIMHRS (Pers/Pay) will become the authoritative data source for all personnel and pay data within DoD for uniformed personnel. Legacy data will be migrated from legacy systems to DIMHRS (Pers/Pay) by the D&I contractor. The data transfer mechanism will be developed by the D&I contractor and will accommodate the diversity of the legacy systems and the operational environment in which they operate. There are several areas requiring careful consideration in order to provide a for a successful transition scenario. These include:

- Identification of authoritative source data in legacy systems (Legacy Data Steward's responsibility)
- Preparation of accurate and current data for migration (Legacy Data Steward's responsibility)
- Creation of a mechanism to migrate the legacy data (D&I responsibility)
- Migration of the data into the DIMHRS (Pers/Pay) (D&I responsibility)
- Planning, scheduling, and execution of data migration (D&I responsibility)
- Support to the Services for data validation (JR&IO responsibility)

When DIMHRS (Pers/Pay) has the ability to support legacy data migration, data will be migrated by the D&I contractor from the legacy system to DIMHRS. The data for each Service must be current and accurate at the beginning of OT&E or FOT&E, as applicable, based on the preparation of data by the Legacy Data Steward and the migration of such data by the D&I contractor. The D&I contractor must maintain currency of the data until such time as the legacy systems being subsumed within each appropriate CLIN are terminated. If warranted, parallel operations may continue as a risk reduction strategy after the data migration and validation period. However, parallel operations for legacy data support should not exceed six months for any Service or Component at any site.

Each Service may require specific guidance or support in producing the required output format necessary to export the legacy data properly. The D&I contractor will provide a data interchange mechanism to the JPMO and JR&IO for use by the Services and DFAS. As each legacy system is scheduled for data migration, a transition plan describing a detailed schedule, data content, staff requirements and transition format will be prepared by JR&IO to expedite the process in the most economical and efficient manner possible, reducing impact to the Service. This plan will be provided to the D&I contractor by the DIMHRS (Pers/Pay) JPMO. The Services are ultimately responsible for management and retirement of their legacy systems.

## Testing

The D&I Contractor will conduct required testing activities related to the development and implementation of DIMHRS (Pers/Pay). The D&I Contractor will be responsible for conducting Unit Testing, Software integrated testing, system integrated testing, Interim Users Testing (IUT) and Development Test and Evaluation (DT&E). The D&I Contractor is the approval authority on Unit test, and the test authority for software and system integrated testing. The D&I Contractor is the primary administrative and technical support for the testing tasks. The D&I Contractor will propose a testing schedule that meets the requirements of the D&I contract.

The table below shows the roles for testing of the DIMHRS (Pers/Pay) program. The D&I Contractor will fill each role for which “D&I” is listed:

Activity	Agent	Authority	Approval	Independent Authority	Admin. And Tech. Support	Activity Monitor
Unit Test	D&I	D&I	D&I	N/A	D&I	JPM
SW Integration Test	D&I	D&I	D&I	N/A	D&I	JPM
System Integration Test	D&I	D&I	D&I	JPM	D&I	JPM
System Acceptance Test	D&I	D&I	JPM/ Contracting Officer	OPTEVFOR	D&I	JPM
IUT	D&I	JPM	JPM/ Contracting Officer	OPTEVFOR	D&I	JPM
DT&E (See DIMHRS (Pers/Pay) TEMP)	D&I	JPM	OPTEVFOR/ Contracting Officer	OPTEVFOR	D&I	OPTEVFOR
OT&E	OPTEVFOR	OPTEVFOR	OPTEVFOR	IV&V	D&I	OPTEVFOR
FOT&E	OPTEVFOR	OPTEVFOR	OPTEVFOR	IV&V	D&I	OPTEVFOR
OTA	Services	Services	N/A	JPM	JPM	JPM

The following is the legend describing each of the elements and roles from each column and row of the table above.

### Row descriptions:

Activity—is the test activity.

Agent—is the responsible party for conducting tests.

Authority—is the responsible party for controlling the test environment.

Approval—is the authorized party to pass or fail any test event.

Independent authority—is the agent, which observes test activities for integrity and completeness independently of the test agent, test approval body and test authority.

Admin and Tech Support—is the responsible party for ensuring the test facilities and system configuration are properly established and remain functional during testing activities.

Activity monitor—is the responsible party to observe conduct of the testing activities on behalf of the JPMO.

### **Entity identification:**

D&I—The Contractor is the Development and Implementation entity

JPM—Government Joint Program Manager

OPTEVFOR—Commander Operational Test and Evaluation Force (USN)

IV&V—Independent Verification and Validation

Activity column descriptions:

Unit test—The purpose of unit testing is to validate individual pieces of software function properly as a standalone unit.

Software Integration test—The purpose of the integration test is to validate that the software is operational when integrated. Primary considerations include the new software developed for the project and validation that vendor updates and fixes are correctly applied.

System Integration Test – The purpose of the System Integration Test is to verify the combined, previously tested software units produce a fully operational product and, through the use of test scripts, verifies the operational product changed by a SCR produces the desired outcome.

Systems Acceptance Test—The purpose of the acceptance test is to validate the processes and business rules implemented within the system to ensure they address the system requirements.

IUT – Interim Users Test –The scope of IUT is the initial functionality delivered using *PeopleSoft* native HRMS with Global Payroll capabilities. IUT also stresses the system under test to the limits of the Operational Mode Summary/Mission Profile by “pushing the envelope” to ensure expected operational performance requirements can be satisfied. The results of the IUT will be used by the Program Manager to determine the risk associated with exercising contract options associated with CLIN 0200, 0201, and 0202 for Navy, Marine Corps, and Air Force Personnel and Pay functionality. The successful completion of IUT prior to DT&E is required for DIMHRS (Pers/Pay) CLIN 0100, Army Personnel and Pay functionality. The contractor shall perform IUT in order to assist the Joint Program Manager in determining the initial readiness of the system to enter into the System Demonstration Phase. The Government will not exercise further development CLINS without successful completion of IUT for CLIN 0100.

DT&E—Development Test and Evaluation—DT&E is required for all developmental acquisition programs. DT&E is performed by the D&I contractor to assist the Program Manager in determining the readiness of the system for Operational Evaluation and Testing (OPEVAL or OT) by the designated OT agent (in this case COMOPTEVFOR). DT&E will test against OT&E requirements as detailed in the Test and Evaluation Master Plan (TEMP) in operationally relevant environments (simulated or actual). DT&E also stresses the system under test to the limits of the Operational Mode Summary/Mission Profile by “pushing the envelope” to ensure expected operational performance requirements can be satisfied.

OT&E—Operational Test and Evaluation—determines the operational effectiveness and suitability of a system under realistic operational conditions, including combat. OT&E is used to determine if the thresholds and objectives in the approved ORD have been satisfied; and assess impacts to combat operations.

FOT&E—OT&E is subdivided into initial OT&E (IOT&E) and Follow-on OT&E.

OTA—Operational Test Agency/Activity—The DoD Component OTA are the Services and perform operational tests to support Service and program decisions.



## **Human Resource Operations**

Each Service will stand up a DIMHRS (Pers/Pay) Support office that will facilitate DIMHRS (Pers/Pay) Implementation within those activities under the Services cognizance. The Service will maintain control of the data that will migrate to the DIMHRS (Pers/Pay) database. The Services DIMHRS (Pers/Pay) Office will coordinate with the JPMO to manage Human Resource data migration and DIMHRS (Pers/Pay) implementation. The Services will be responsible for coordinating with JR&IO to further define human resource requirements.

## **Payroll Operations**

The Defense Finance and Accounting Service (DFAS) has responsibility for payroll operations for the members of the Army, Navy, Air Force and Marine Corps active duty, reserve forces and National Guard. This constitutes a population of approximately 2.5 million service members in pay status with aggregated annual payments in excess of \$50 billion dollars.

The payroll structure and entitlements for the military is public information and is available in the public domain. There are approximately 115 different military pay entitlements at this time. The payroll structure consists of enlisted and officer pay grades in the active duty force, reserve force, and national guard along with special categories such as Service Academy, ROTC, JROTC, and Health Professional Incentive Program. In addition to basic pay, service members may receive additional allowances. Examples include housing allowances, food and meal allowances, and special or incentive pay. Tax consequences and tax treatment of pay is dependent upon circumstances and member location and varies widely by service member. Retroactive pay processing is critical, as the timeliness of pay is dependent on personnel input. Some differences exist between typical commercial pay calculations and military pay calculations. The amounts and conditions of pay entitlement and allowances are subject to some volatility. Annual legislative changes are a reality of DoD business, and changes can occur frequently.

Pay is issued with varying frequency, such as monthly, semi-monthly and schedule specific (e.g., the frequency of a drilling reservist's schedule). In addition, DIMHRS (Pers/Pay) will support the capability for daily payroll operations.

## Implementation Environment

DIMHRS (Pers/Pay) will operate within the operational communications and information infrastructure environment of the DoD. The infrastructure includes but is not limited to the Defense Integrated Switched Network (DISN) Non-classified Internet Protocol Router Network (NIPRNET), regionalized or centralized data centers, an evolving Defense in Depth Information Assurance environment, military and commercial satellite communications (SATCOM) for connectivity with mobile/deployed forces, and government/commercial partnerships providing IT services (Intranets) to the military services.

Where feasible, DIMHRS (Pers/Pay) will maximize use of existing computing and communication infrastructure (e.g., use of legacy systems within the Army, Navy, Marine Corps, or Air Force, etc.).

Phased implementation is expected in order to field capability rapidly, while managing risk and change. The implementation order will be by Service and Component, and may be structured geographically or organizationally, within each Component.

As with any large complex IT system and organization, it is anticipated that technical implementation may be driven by the various organization's ability to adopt cultural and procedural changes during fielding. Additionally, technical obstacles may exacerbate complexity of the DIMHRS (Pers/Pay) fielding strategy (e.g. communications connectivity of obtaining reliable and sufficient circuit bandwidth). Provision of user desktops and connection to the DoD intranet (Tier III) are the responsibility of the Services and the user community.

The large number of interfaces with persistent legacy systems (over 500) presents a complex requirement and continuing risk for DIMHRS (Pers/Pay). The majority of these persistent systems will use the authoritative data provided by DIMHRS (Pers/Pay) to perform other non-personnel or pay functions. For those interfaces, a risk mitigation strategy must be developed and executed.

The D&I contractor will provide an industry standard data exchange mechanism, to include supporting training and documentation, that will relieve the DIMHRS (Pers/Pay) program of the requirement to create and maintain separate interfaces to a majority of the identified persistent legacy systems—shifting the responsibility and authority for such interfaces to the owners of those systems after the initial development and deployment.

The D&I contractor is responsible for the initial end-to-end development, implementation and testing of persistent interfaces to legacy systems for each deployed CLIN. The D&I contractor is responsible for the development, testing and maintenance of temporary interfaces to legacy systems for each deployed CLIN, until these interfaces are phased out. Following successful completion of Operational Test and Evaluation (OT&E) or Follow-on OT&E (FOT&E), as applicable for each deployed CLIN, the legacy system owners will assume responsibility for their side of the interface.

For CLINs 0100, 0200, 0201, and 0202, as well as associated CLINS, the following addresses Tiers I, II and III support: The necessary Tier I and Tier II hardware performance will be specified by the Contractor. The Government will acquire, prepare the site, install and maintain the Tier I and Tier II hardware. The Contractor will be responsible for installing the DIMHRS (Pers/Pay) software solution on the Tier I and Tier II hardware. Tier I includes logical central corporate functionality including the database. Detailed design will be produced during the development period. Tier II includes servers required for disconnect operations. Tier II must have the capability for subsets of DIMHRS (Pers/Pay) functionality, up to the full Tier I functionality. The Contractor will consider inherent COTS functional support for portability or hand-held use in defining Tier II hardware performance requirements. Tier II connectivity will be a minimum of 56Kbps, although there may be circumstances where greater speed of connectivity is appropriate. Tier II requirements will be satisfied by maximum use of existing infrastructure. The Government will provide the services to sustain Tier I and Tier II hardware. Tier III is user level hardware and software (e.g., desktop workstations with internet access). Provision and sustainment of Tier III is the responsibility of the Government.

The actual number and location of Tier II sites will depend upon the solution offered by the D&I contractor. The requirement is for the D&I contractor to propose the architecture to support disconnected operations. For purposes of evaluation, the D&I contractor is to assume 100 Tier II servers to be configured in New Orleans, LA, with 25% allocated to the Army, Navy, Marines and Air Force, respectively.

## Deployment

The Government has selected a deployment strategy for the DIMHRS (Pers/Pay) program that is based on implementing integrated military personnel and pay functionality for a Service or Component as quickly as possible with no harm to the Service and its members. The sequence of deployment is expected to be the Army, Navy, Marine Corps, and then the Air Force. In conjunction with the selection of the D&I contractor and its proposed solution, the DIMHRS (Pers/Pay) Joint Program Manager may update the deployment strategy by considering the specific plans, tools, experience and facilitation offered by the D&I contractor. The DIMHRS (Pers/Pay) solution must implement an integrated product and data strategy. The strategy applies to deployment for each Service component, consistent with the provided program schedule.

The chosen deployment strategy must allow for population, stabilization and testing of the DIMHRS (Pers/Pay) database for each component prior to implementation of pay calculation functionality.

The current deployment strategy allows the affected service personnel organizations to stagger implementation, reduce risk and take advantage of any lessons learned. In some cases, for example in the Marine Corps, little change to operating procedures and no changes to organization is expected. In this scenario, a turnkey or simultaneous go-live of the entire system may prove optimal.

The D&I contractor will ensure the DIMHRS (Pers/Pay) application is deployed and implemented in the Department of Defense, to include user acceptance. The D&I contractor will also develop, prepare and conduct training for new equipment fielding for users and maintainers to support the Government's objective stated in Paragraph C.2.i of the Statement of Objectives (SOO). The training materials developed by the D&I contractor for field activities or individual users will accommodate formal, informal and on-the-job self-paced training. The primary training methodologies will be interactive and web-centered. Subsequent to training for new equipment fielding for users and maintainers provided by the D&I, the training material developed by the D&I contractor will enable the Government to provide training to end-users and maintainers of the DIMHRS (Pers/Pay) system.

It is envisioned that the D&I contractor will support implementation of the DIMHRS (Pers/Pay) by Useful Asset, deploy and stabilize the application and data, and prepare the Useful Asset for sustainment.

## Sustainment

The D&I Contractor will sustain each Useful Asset where the option for sustainment has been exercised under the contract. Sustainment for any Useful Asset will commence following implementation within a Service.

Sustainment activities include but are not limited to:

- Changes and updates to training material
- Customer Service support to include a customer call center and mobile trouble shooting teams to handle both technical and functional issues. The Customer Support Center is expected to be manned 24 hours per day, 7 days per week by the contractor for troubleshooting and repair for the DIMHRS (Pers/Pay) software solution.
- Contingency planning and disaster recovery
- Security monitoring
- Maintenance and sustainment for development and production software
- Maintenance and sustainment for development hardware

Sustainment services by the D&I contractor for DIMHRS (Pers/Pay) software maintenance will include the incorporation of the *PeopleSoft* HRMS patches and fixes, upgrade releases, operating systems upgrades, and the development and implementation of emerging requirements.

DIMHRS (Pers/Pay) hardware infrastructure will be refreshed by the Government in order to keep pace with processing requirements and developments in commercial market technical standards. Infrastructure engineering upgrades will be planned with sufficient lead-time to allow for budgeting activities within the DoD budget cycles.

DIMHRS (Pers/Pay) solutions proposed by the D&I contractor will incorporate contingency planning and disaster recovery programs. The infrastructure will be optimized for data storage and continuity of operations. Disaster recovery will be tested annually.

## Personnel Mobilization Scenario

The following scenario is intended to describe an unlikely, but extremely challenging set of circumstances that required DIMHRS (Pers/Pay) to surge and adapt to a "near-worst-case" environment.

Several years in the future, the DIMHRS (Pers/Pay) system is at Full Operating Capability (FOC). Rogue leaders of Third World countries grasp what they consider as an opportunity to challenge a new and inexperienced President and Secretary of Defense.

Intelligence reports show that Country Red in Southwest Asia has amassed significant forces along the borders of its American ally and an invasion is imminent. The CINC immediately conveys a readiness status report to the Secretary of Defense, and it is decided that a significant augmentation of forces is required to avert a hostile takeover of a country that is key to the vital interests of the United States. The President invokes his authority to recall 200,000 Reservists and National Guard members. Corresponding orders are conveyed to the Commanders of the Reserve Forces and the National Guard. In the ensuing operation, many units find themselves in the desert in Southwest Asia for a long period of time without reliable high capacity communications links. Some are killed or wounded in action. Several have been taken prisoner and replacements have not been properly in-processed.

As this scenario unfolds, Country Green seizes the opportunity to reinitiate a Middle East conflict that threatens the world oil supply. Again the United States is participating in the effort to repress this aggression and restore order. Due to several years of downsizing of U.S. forces in the area, the CINC finds himself without the right mix and number of resources to carry out a wartime mission. The President asks Congress and is given the authority to invoke a full mobilization of Reserve forces, including the Individual Ready Reserve to augment the current personnel strength in the area of responsibility by another 200,000 personnel.

While the above scenarios are being dealt with, a major power in Southeast Asia begins to mobilize in an attempt to show support for our enemies. The majority of personnel assets have now been deployed to Countries Red and Green and if left unchecked, Country Black in Southeast Asia will present an ominous threat to their neighbors and the U.S. In an emergency session of Congress, the immediate reinstatement of the Draft is approved and Draft Notices are sent out to approximately 50,000 young men and women who are processed through the Military Entrance Processing Stations and placed on active duty for a period of two years. Simultaneously, 20,000 retired members who possess specialized skills are recalled to active duty for the duration of hostilities.

Within twelve months, hostilities in Countries Red and Green are suppressed. Country Black still represents a threat and a large contingent of U.S. forces remains in the area of operation. The recalled Reservists are systematically returned to inactive duty to their Selected Reserve units or to the Individual Ready Reserve.

The Retirees are released from active duty and returned to a Retired status. The Draftees are given the opportunity to remain on active duty or request release to the Reserve component.

The above scenario requires the DIMHRS (Pers/Pay) system to:

- Interact with GCSS to determine numbers, locations, and skills of available personnel within a specified theater to a CINC within minutes, so a decision can be made as to augmentation requirements.
- Process thousands of orders and execute the potential recall of the entire Ready Reserve Force within the parameters set by the National Command Authority.
- Track the status of personnel inbound to the Theater of Operations.
- Track and record the status of personnel to the lowest unit level while in the Theater of Operations.
- Be extendable to simultaneously recall reservists and retirees as well as access large numbers of draftees.
- DIMHRS must have the ability to reconcile entries from disconnected DIMHRS (Pers/Pay) units.
- Recompute service dates for those recalled to active duty from the Reserve and Retired status.
- Recompute retired pay for retirees called to active duty.
- Report and reconcile pay for extended periods of deployments as a result of the operation PersTempo, Family Separation Allowance, Hostile Fire Pay, etc.
- Update external agencies (e.g. Veterans Administration) of benefit entitlements as a result of service and the Selective Service for those drafted. Additionally, Electronic Funds Transfers (Direct Deposit) and Allotments must be timely and accurate for deploying members.



## EXECUTIVE SUMMARY

This solicitation provides the requirements, and overall objectives for system specification, development, and implementation of the Defense Integrated Military Human Resources System (DIMHRS) Personnel/Pay (Pers/Pay) program. DIMHRS (Pers/Pay) will be a standards-based DoD-wide military personnel management and pay system that uses best business practices leveraging the *PeopleSoft* Human Resource Management System (HRMS) product. From a functional perspective, this environment will allow for a single logical personnel/pay record that supports the Service member from accession to retirement and provides for access to information for authorized external users. DIMHRS (Pers/Pay) will maximize efficiency and performance in normal and adverse environments, and integrate and interface with DoD and external systems.

The *PeopleSoft* HRMS has been selected as the Commercial-Off-The-Shelf (COTS) product upon which DIMHRS (Pers/Pay) will be developed and fielded. It is the intent of the Government to use the *PeopleSoft* HRMS product without modification to the greatest extent possible, through Business Process Re-engineering, to meet the requirements.

The contract is structured in the following two phases:

Phase I - Risk Reduction and System Specification: Multiple firm fixed price contracts will be awarded for this phase. This phase is intended to reduce the risk of the Government, maximize competition, and allow Contractors adequate time and resources to develop system specifications for DIMHRS (Pers/Pay). The phase will last approximately three months. Phase I consists of two firm fixed priced line items budgeted at \$1,000,000.

Phase II – Development and Implementation: Each of the contracts awarded for Phase I will contain options for Phase II. ***Note that any Offeror not receiving Phase I award will not be eligible for the options contained in Phase II.*** Phase II is full development and implementation of the DIMHRS (Pers/Pay) Program. The options for Phase II, if exercised, will be cost reimbursement (cost plus award fee and cost plus fixed fee) line items, as well as firm fixed priced line items. The place of performance for development and emergent requirement effort in the Phase II effort will be at the SPAWAR Information Technology Center (SITC) in New Orleans, Louisiana.

## SECTION B – SUPPLIES OR SERVICES AND PRICES

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## PHASE I

<b>FY02 Basic Items</b>	<b>Description</b>	<b>Qty</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Total Price</b>
0001	Defense Integrated Military Human Resource System Personnel/Pay (DIMHRS (Pers/Pay)) System Specification and Risk Reduction See <a href="#">Note 1</a>  (Firm Fixed Priced CLIN)				
0001AA	System Specification	1	Lot		
0001AB	Risk Assessment	1	Lot		
0001AC	Program Management Plan and Integrated Master Schedule	1	Lot		
0001AD	Technical Approach Plan and Statement of Work	1	Lot		
0001AE	Comprehensive Analysis Report	1	Lot		
0002	Data for CLIN 0001	1	Lot	NSP See Exhibit A	NSP See Exhibit A

## PHASE II

For all Option Item CLINs, see [Note 2](#).

<b>FY03 Option Items</b>	<b>Description</b>	<b>Qty</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Total Price</b>
0100	DIMHRS (Pers/Pay) System – Army and Pay Functionality (Cost Plus Award Fee CLIN) See <a href="#">Note 3</a> and <a href="#">Note 11</a>	1	Lot	ESTIMATED COST \$ (Excluding Facilities Capital Cost of Money (FCCM): FCCM: \$ 2% BASE FEE: \$ MAXIMUM POSSIBLE AWARD FEE \$ (NTE 13%): TOTAL ESTIMATED COST, FCCM, BASE FEE AND AWARD FEE: \$	

## SECTION B –SUPPLIES OR SERVICES AND PRICES

<b>FY03 Option Items</b>	<b>Description</b>	<b>Qty</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Total Price</b>
0100 AA	Preliminary PeopleSoft Native Functionality Module for CLIN 0100	1	Lot	NSP Incl in CLIN 0100	NSP Incl in CLIN 0100
0100 AB	Complete DIMHRS software modules for CLIN 0100 (See Note 11)	1	Lot	NSP Incl in CLIN 0100	NSP Incl in CLIN 0100
0101	Data for CLINs 0100	1	Lot	NSP See Exhibit B Incl in CLIN 0100	NSP See Exhibit B Incl in CLIN 0100
0102	ODC costs for CLIN 0100 (Estimated Cost Only - Non-Fee Bearing Line Item) See <u>Note 10</u>				\$

## SECTION B –SUPPLIES OR SERVICES AND PRICES

0103	Innovative Technology Insertion Cost Plus Award Fee See <a href="#">Note 6</a>	1	LO	ESTIMATED COST \$ (Excluding Facilities Capital Cost of Money (FCCM):	
				FCCM:	\$
				2% BASE FEE:	\$
				MAXIMUM POSSIBLE AWARD FEE (NTE 8%):	\$
				TOTAL ESTIMATED COST, FCCM, BASE FEE AND AWARD FEE:	\$
0104	Data for CLINs 0103	1	Lot		NSP See Exhibit C Incl in CLIN 0103
0150	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM): \$	
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0151	Data for CLINs 0150	1	Lot		NSP See Exhibit C Incl in CLIN 0150
0152	ODC costs for CLIN 0150 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY04 Option Item	Description	Qty	Unit	Unit Price	Total Price
0200	DIMHRS (Pers/Pay) System – Navy Functionality (Cost Plus Award Fee CLIN) See <a href="#">Note 3</a>	1	Lot	ESTIMATED COST \$ (Excluding Facilities Capital Cost of Money (FCCM): FCCM: \$ 2% BASE \$ FEE: MAXIMUM POSSIBLE AWARD FEE \$ (NTE 13%): TOTAL ESTIMATED COST, FCCM, BASE FEE AND \$ AWARD FEE:	
0200 AA	Preliminary Functionality Module for CLIN 0200	1	Lot	NSP Incl in CLIN 0200	NSP Incl in CLIN 0200
0200 AB	Complete DIMHRS software modules for CLIN 0200	1	Lot	NSP Incl in CLIN 0200	NSP Incl in CLIN 0200

## SECTION B –SUPPLIES OR SERVICES AND PRICES

0201	DIMHRS (Pers/Pay) System – Marine Corps. Functionality (Cost Plus Award Fee CLIN) See <a href="#">Note 3</a>	1	Lot	ESTIMATED COST \$ (Excluding Facilities Capital Cost of Money (FCCM):
				FCCM: \$
				2% BASE \$ FEE:
				MAXIMUM POSSIBLE AWARD FEE \$ (NTE 13%):
				TOTAL ESTIMATED COST, FCCM, BASE FEE AND \$ AWARD FEE:

FY04 Option Item	Description	Qty	Unit	Unit Price	Total Price
0201 AA	Preliminary Functionality Module for CLIN 0201	1	Lot	NSP Incl in CLIN 0201	NSP Incl in CLIN 0201
0201 AB	Complete DIMHRS software modules for CLIN 0201	1	Lot	NSP Incl in CLIN 0201	NSP Incl in CLIN 0201

## SECTION B –SUPPLIES OR SERVICES AND PRICES

0202	DIMHRS (Pers/Pay) System – Air Force Functionality (Cost Plus Award Fee CLIN) See <a href="#">Note 3</a>	1	Lot	ESTIMATED COST \$ (Excluding Facilities Capital Cost of Money (FCCM):	
				FCCM:	\$
				2% BASE FEE:	\$
				MAXIMUM POSSIBLE AWARD FEE (NTE 13%):	\$
				TOTAL ESTIMATED COST, FCCM, BASE FEE, AND AWARD FEE:	\$
0202 AA	Preliminary Functionality Module for CLIN 0202	1	Lot	NSP Incl in CLIN 0202	NSP Incl in CLIN 0202
0202 AB	Complete DIMHRS software modules for CLIN 0202	1	Lot	NSP Incl in CLIN 0202	NSP Incl in CLIN 0202
0203	Data for CLINs 0200, 0201 and 0202	1	Lot		NSP See Exhibit B Incl in CLINs 0200, 0201 and 0202
0204	ODC costs for CLINs 0200 (Estimated Cost Only - Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0205	ODC costs for CLIN 0201 (Estimated Cost Only - Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0206	ODC costs for CLINs 0202 (Estimated Cost Only - Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0250	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM):	
				FCCM:	\$
				FIXED FEE	\$

## SECTION B –SUPPLIES OR SERVICES AND PRICES

				TOTAL ESTIMATED COST PLUS FIXED FEE: \$	
0251	Data for CLIN 0250	1	Lot		NSP See Exhibit C Incl in CLIN 0250
0252	ODC costs for CLIN 0250 (Estimated Cost Only - Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000



## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY05 Option Item	Description	Qty	Unit	Unit Price	Total Price
0300	FY 05 Sustainment (Cost Plus Fixed Fee CLIN) See <a href="#">Note 5</a>			ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0301	Data for CLIN 0300	1	Lot		NSP See Exhibit E Incl in CLIN 0300
0302	ODC Costs for CLIN 0300 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				
0350	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0351	Data for CLIN 0350	1	Lot		NSP See Exhibit C Incl in CLIN 0350
0352	ODC costs for CLIN 0350 (Estimated Cost Only - Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY05 Option Item	Description	Qty	Unit	Unit Price	Total Price
0372	Army and Pay Deployment (Cost Plus Award Fee CLIN) See <a href="#">Note 6</a>	1	Lot	ESTIMATED COST \$ (Excluding Facilities Capital Cost of Money (FCCM): FCCM: \$ 2% BASE \$ FEE MAXIMUM POSSIBLE AWARD FEE \$ (NTE 8%): TOTAL ESTIMATED COST, FCCM, BASE FEE AND \$ AWARD FEE:	
0373	Data for CLINs 0372	1	Lot		NSP See Exhibit D Incl in CLIN 0372
0374	ODC costs for CLIN 0372 (Estimated Cost Only - Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY06 Option Item	Description	Qty	Unit	Unit Price	Total Price
0400	FY 06 Sustainment (Cost Plus Fixed Fee Line Item) See <a href="#">Note 5</a>	1	Lot	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0401	Data for CLIN 0400	1	Lot		NSP See Exhibit E Incl in CLIN 0400
0402	ODC costs for CLIN 0400 (Estimated Cost Only — Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0450	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0451	Data for CLIN 0450	1	Lot		NSP See Exhibit C Incl in CLIN 0450
0452	ODC costs for CLIN 0450 (Estimated Cost Only - Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY06 Option Item	Description	Qty	Unit	Unit Price	Total Price
0471	Navy Deployment (Cost Plus Award Fee CLIN) See <a href="#">Note 6</a>	1	Lot	ESTIMATED COST \$	
				(Excluding Facilities Capital Cost of Money (FCCM):	
				FCCM: \$	
				2% BASE \$	
				FEE	
				MAXIMUM POSSIBLE AWARD FEE \$	
0472	Marine Corps Deployment (Cost Plus Award Fee CLIN) See <a href="#">Note 6</a>	1	Lot	(NTE 8%):	
				TOTAL ESTIMATED COST, FCCM, BASE FEE AND \$	
				AWARD FEE:	
				ESTIMATED COST \$	
				(Excluding Facilities Capital Cost of Money (FCCM):	
				FCCM: \$	
				2% BASE \$	
				FEE	
				MAXIMUM POSSIBLE AWARD FEE \$	
				(NTE 8%):	
				TOTAL ESTIMATED COST, FCCM, BASE FEE AND \$	
				AWARD FEE:	

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY06 Option Item	Description	Qty	Unit	Unit Price	Total Price
0473	Air Force Deployment (Cost Plus Award Fee CLIN) See <a href="#">Note 6</a>	1	Lot	ESTIMATED COST \$ (Excluding Facilities Capital Cost of Money (FCCM): FCCM: \$ 2% BASE \$ FEE MAXIMUM POSSIBLE AWARD FEE \$ (NTE 8%): TOTAL ESTIMATED COST, FCCM, BASE FEE AND \$ AWARD FEE:	
0474	Data for CLINS 0471, 0472, and 0473	1	Lot		NSP See Exhibit D Incl in CLINs 0471, 0472 and 0473
0475	ODC Costs for CLIN 0471 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0476	ODC Costs for CLIN-0472 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0477	ODC Costs for CLIN-0473 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY07 Option Item	Description	Qty	Unit	Unit Price	Total Price
0500	FY 07 Sustainment (Cost Plus Fixed Fee Line Item) See <a href="#">Note 5</a>	1	Lot	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0501	Data for CLINS 0500	1	Lot		NSP See Exhibit E Incl in CLIN 0500
0502	ODC Costs for CLIN 0500 Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0503	Data Rights for DIMHRS (Pers/Pay) Program (Firm Fixed Priced CLIN) See <a href="#">Note 9</a>	1	LO	See Exhibit F	
0550	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0551	Data for CLIN 0550	1	Lot		NSP See Exhibit C Incl in CLIN 0550
0552	ODC Costs for CLIN 0550 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY08 Option Item	Description	Qty	Unit	Unit Price	Total Price
0600	FY 08 Sustainment (Cost Plus Fixed Fee Line Item) See <a href="#">Note 5</a>	1	Lot	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0601	Data for CLINS 0600	1	Lot		NSP See Exhibit E Incl in CLIN 0600
0602	ODC Costs for CLIN 0600 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0603	Data Rights for DIMHRS (Pers/Pay) (Firm Fixed Priced CLIN) See <a href="#">Note 9</a>	1	LO	See Exhibit F	
0650	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0651	Data for CLIN 0650	1	Lot		NSP See Exhibit C Incl in CLIN 0650
0652	ODC Costs for CLINs 0650 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY09 Option Item	Description	Qty	Unit	Unit Price	Total Price
0700	FY 09 Sustainment (Cost Plus Fixed Fee Line Item) See <a href="#">Note 5</a>	1	Lot	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0701	Data for CLINS 0700	1	Lot		NSP See Exhibit E Incl in CLIN 0700
0702	ODC Costs for CLIN 0700 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0703	Data Rights for DIMHRS (Pers/Pay) (Firm Fixed Priced CLIN) See <a href="#">Note 9</a>	1	LO		\$ See Exhibit F
0750	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0751	Data for CLIN 0750	1	Lot		NSP See Exhibit C Incl in CLIN 0750
0752	ODC Costs for CLINs 0750 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000



## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY10 Option Item	Description	Qty	Unit	Unit Price	Total Price
0800	FY 10 Sustainment (Cost Plus Fixed Fee Line Item) See <a href="#">Note 5</a>	1	Lot	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0801	Data for CLINS 0800	1	Lot		NSP See Exhibit E Incl in CLIN 0800
0802	ODC Costs for CLIN 0800 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0803	Data Rights for DIMHRS (Pers/Pay) (Firm Fixed Priced CLIN) See <a href="#">Note 9</a>	1	LO	See Exhibit F	
0850	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0851	Data for CLIN 0850	1	Lot		NSP See Exhibit C Incl in CLIN 0850
0852	ODC Costs for CLINs 0850 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY11 Option Item	Description	Qty	Unit	Unit Price	Total Price
0900	FY 11 Sustainment (Cost Plus Fixed Fee Line Item) See <a href="#">Note 5</a>	1	Lot	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0901	Data for CLINS 0900	1	Lot		NSP See Exhibit E Incl in CLIN 0900
0902	ODC Costs for CLINs 0900 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
0903	Data Rights for DIMHRS (Pers/Pay) (Firm Fixed Priced CLIN) See <a href="#">Note 9</a>	1	LO	NSP	NSP See Exhibit F
0950	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM):	\$
				FCCM:	\$
				FIXED FEE:	\$
				TOTAL ESTIMATED COST PLUS FIXED FEE:	\$
0951	Data for CLINs 0950	1	Lot		NSP See Exhibit C Incl in CLIN 0950
0952	ODC Costs for CLINs 0950 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000

## SECTION B –SUPPLIES OR SERVICES AND PRICES

FY12 Option Item	Description	Qty	Unit	Unit Price	Total Price
1000	FY 12 Sustainment (Cost Plus Fixed Fee Line Item) See <a href="#">Note 5</a>	1	Lot	ESTIMATED COST (Excluding FCCM): \$ FCCM: \$ FIXED FEE: \$ TOTAL ESTIMATED COST PLUS FIXED FEE: \$	
1001	Data for CLIN 1000	1	Lot		NSP See Exhibit E Incl in CLIN 1000
1002	ODC Costs for CLINs 1000 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 10</a>				\$
1003	Data Rights for DIMHRS (Pers/Pay) (Firm Fixed Priced CLIN) See <a href="#">Note 9</a>	1	LO	See Exhibit F	
1050	Emergent DIMHRS (Pers/Pay) Requirements and augmentation by Services and DFAS (Cost Plus Fixed Fee CLIN) See <a href="#">Note 4</a> and <a href="#">Note 5</a>	NTE 100,000	Hrs	ESTIMATED COST (Excluding FCCM): \$ FCCM: \$ FIXED FEE: \$ TOTAL ESTIMATED COST PLUS FIXED FEE: \$	
1051	Data for CLIN 1050	1	Lot		NSP See Exhibit C Incl in CLIN 1050
1052	ODC Costs for CLINs 1050 (Estimated Cost Only – Non-Fee Bearing Line Item) See <a href="#">Note 7</a> and <a href="#">Note 8</a>				EST \$200,000

**Pricing Notes**

Note 1: The Government has budgeted CLIN 0001 at \$1,000,000 for each Phase I contract. The Government may consider an Offeror's proposal unexecutable if the proposal for CLIN 0001 exceeds \$1,000,000.

Note 2: For the purpose of Contract Phase I proposal, the Offeror shall propose all Option Item CLINs (CLINs other than CLINs 0001 and 0002). In the Contractor's updated proposal for Phase II, the Contractor shall follow the instructions contained in Section L-16. The dollar values for the option CLINs will be changed by the incorporation of the Phase II Cost/Price Proposal (See Clause H-20).

Conformed through P00005

## SECTION B –SUPPLIES OR SERVICES AND PRICES

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Note 3: Applicable to CLINS 0100, 0200, 0201 and 0202: The contractor will earn a Base Fee of 2% plus a Maximum Possible Award Fee of 13% of the total estimated cost of the contract, less FCCM, on the basis of performance during the evaluation periods.

Note 4: For the purposes of estimating CLINS 0150, 0250, 0350, 0450, 0550, 0650, 0750, 0850, 0950 and 1050, the Offeror is to assume 100,000 hours. If during the performance of this contract the Government determines that increases are necessary, such changes will be accomplished by bilateral modification.

Note 5: Fixed Fee shall not exceed 10% of total estimated cost less FCCM.

Note 6: Applicable to CLINS 0103, 0372, 0471, 0472, and 0473: The contractor may earn a Base Fee of 2% plus a Maximum Possible Award Fee of 8% of the total estimated cost of the contract, less FCCM, on the basis of performance during the evaluation periods

Note 7: The amount set forth for ODC costs associated with Emergent Requirements in Option CLINs 0152, 0252, 0352, 0452, 0552, 0652, 0752, 0852, 0952, and 1052 are the Government's estimate of the amount of support that will be required to accomplish the technical direction provisions of this contract. If during the performance of this contract the Government determines that increases are necessary, such changes will be accomplished by bilateral modification to the estimated amount. ODCs should include incidental travel, subsistence, and other material costs associated with accomplishing the requirements under the specific line item. Travel shall be reimbursed at cost in accordance with the Joint Travel Regulation (JTR) rates in effect at the actual time of travel, plus any applicable General & Administrative (G&A) expenses applied. Materials shall be reimbursed at actual and verifiable cost inclusive of any material handling charges, plus any applicable G&A expenses. ODCs for Option CLINs 0152, 0252, 0352, 0452, 0552, 0652, 0752, 0852, 0952, and 1052 shall not be fee bearing.

Note 8: ODC CLINs 0152, 0252, 0352, 0452, 0552, 0652, 0752, 0852, 0952, and 1052 will not be evaluated for the purposes of award.

Note 9: The Government will only exercise the option for technical data rights once. There will be no propriety restriction on the Government or Government's agent's use of this information for the sole use of operating, maintaining and upgrading DIMHRS Program. The contractor will provide to the Government all data, software, and tools necessary to maintain and upgrade DIMHRS Program. All other uses may be restricted as identified by the contractor.

Note 10: For ODC CLINs 0102, 0204, 0205, 0206, 0302, 0374, 0402, 0475, 0476, 0477, 0502, 0602, 0702, 0802, 0902, and 1002 the Contractor shall provide an estimate of the total other direct costs required. ODCs under these CLINs may include incidental travel, subsistence, software licenses, and other material costs associated with accomplishing the requirements under the specific line item. Annual Hardware and Software maintenance costs should also be captured under the ODC CLINs to support sustainment. Travel shall be reimbursed at cost in accordance with the Joint Travel Regulation (JTR) rates in effect at the actual time of travel, plus any applicable General & Administrative (G&A) expenses applied. Materials shall be reimbursed at actual and verifiable cost inclusive of any material handling charges, plus any applicable G&A expenses. ODCs for Option CLINs 0102, 0204, 0302, 0374, 0402, 0502, 0602, 0702, 0802, 0902, and 1002 are not fee bearing.

Note 11: The contractor shall build, test and deliver CLIN 0100 incrementally. Therefore, the contractor shall add NSP SubCLINs to the Section B pricing tables to provide separate software modules to satisfy CLIN 0100. Also, the contractor shall provide an associated delivery schedule in Section F for each additional SubCLIN software module.

### **B-1 ALLOTMENT OF FUNDS (JAN 89) (SPAWAR 5252.232-9200)**

(Applicable to Award Fee CLINs 0100, 0103, 0200, 0201, 0202, 0372, 0471, 0472 and 0473)

a. This contract is incrementally funded with respect to both cost and fee.

## SECTION B –SUPPLIES OR SERVICES AND PRICES

b. The amounts presently available and allotted to this contract for payment of award fee, as provided in the applicable Section B clauses of this contract entitled “DETERMINATION OF AWARD FEE”, are as follows:

Item(s)	Allotted to Base Fee	Allotted to Award Fee	Section B Clause Applicable
0100	\$*	\$*	B-2
0103	\$*	\$*	B-3
0200	\$*	\$*	B-2
0201	\$*	\$*	B-2
0202	\$*	\$*	B-2
0372	\$*	\$*	B-4
0471	\$*	\$*	B-4
0472	\$*	\$*	B-4
0473	\$*	\$*	B-4
<b>Total</b>	\$*	\$*	

\* The dollar values will be provided in individual funding modifications.

c. The amounts presently available and allotted to this contract for payment of cost, subject to the Section I “LIMITATION OF FUNDS” clause, the items covered thereby and the period of performance which it is estimated the allotted amount will cover are as follows:

Item(s)	Allotted to Cost	Period of Performance
0100	\$ *	*
0103	\$ *	*
0200	\$ *	*
0201	\$ *	*
0202	\$ *	*
0372	\$ *	*
0471	\$ *	*
0472	\$*	*
0473	\$*	*
<b>Total</b>	\$ *	

\* The dollar values and period of performances will be provided in individual funding modifications.

d. The parties contemplate that the Government will allot additional amounts to this contract from time to time by unilateral contract modification, and any such modification shall state separately the amounts allotted for cost and for fee, the items covered thereby, and the period of performance the amounts are expected to cover.

### **B-2 DETERMINATION OF AWARD FEE for DEVELOPMENT (CLINs 0100, 0200, 0201 and 0202)**

All Award Fee determinations for CLINs 0100, 0200, 0201 and 0202 shall be made in accordance with this clause.

#### **(a) Award Fee Team**

The Contractor's performance evaluation for each period will be conducted by an Award Fee Team consisting of the Fee Determining Official and the Award Fee Board (Board). The Board consists of the following:

- (1) Board Chairperson
- (2) Contracting Officer
- (3) Technical Director
- (4) Contract Specialist
- (5) Representatives from DFAS, JR&IO, and the Services

Appointments and changes to the membership of the Board may be made at the discretion of the Fee Determining Official.

## SECTION B –SUPPLIES OR SERVICES AND PRICES

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### (b) Award Fee Board Procedures

The initial award fee recommended by the Board is subject to concurrence by the Fee Determining Official who shall make the final determination of the award fee for each evaluation period. The award fee amount is a unilateral decision made solely at the discretion of the Government. In no event shall the award fee exceed the applicable percentages set forth in Section B of this contract. Each unilateral modification funding award fee to the contract shall be final.

The award fee, beyond the base fee amount of two-percent (2%), is not guaranteed in part or whole. If the Contractor fails to maintain an acceptable level of performance, the Government reserves the right to provide no award fee, beyond the base fee amount, for that period and to utilize any other remedies available to improve contract performance. The Contractor is entitled to invoice for earned base fee on a monthly basis. For each CLIN, the value of the base fee earned by the Contractor shall be calculated as follows:

$(\text{Total base fee}) \div (\text{total months in POP for each CLIN}) = \text{monthly base fee.}$  (See Section F for the total period of performances for each CLIN)

e.g.: Total Base Fee \$120 ÷ 12 months in POP for CLIN XXXX = \$10 monthly base fee

The table below provides the monthly base fee for each CLIN. The Government shall provide the monthly base fee in accordance with the incorporated dollar values from the Phase II Price/Cost Proposal (See Clause H-20).

CLIN	Monthly Base Fee
0100	\$
0200	\$
0201	\$
0202	\$

In no circumstances will the sum of base fee payments exceed the base fee amount specified in Schedule B for each respective CLIN.

The Government may unilaterally make changes to this clause with the exception that no decrease may be made to the base fee amount, provided the Contractor receives written notice of the changes at least 15 calendar days prior to the beginning of the evaluation period to which the changes apply.

The Contractor may, at its discretion, submit a written presentation of its accomplishments and performance to the Board Chairperson within 7 working days after the completion of the award fee period. The Government intends to issue a unilateral modification to the contract to provide for the award fee within 60 days from the end of the award fee period. The above schedules are goals and failure to meet them shall not invalidate the award fee determination.

### (c) Event Evaluation and Applicable Award Fee

There are four separate event evaluations for CLINs 0100, 0200, 0201 and 0202. Each evaluation period shall be defined as the period of time from the commencement of the event, lasting through the subsequent completion of the event. The evaluation periods are as follows:

PERIOD 1 FOR CLINs 0100, 0200, 0201, and 0202: Critical Design Review (CDR) period starts with the option exercise of each CLIN by the Government and ends with a letter from the Contracting Officer acknowledging satisfactory completion of CDR.

PERIOD 2 FOR CLINs 0100, 0200, 0201 and 0202: Interim Users Test (IUT) period starts the day following the end of Period 1 for each respective CLIN. Period 2 ends with a letter from the Contracting Officer acknowledging satisfactory completion of IUT test for each respective CLIN that was exercised.

## SECTION B –SUPPLIES OR SERVICES AND PRICES

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PERIOD 3 FOR CLINs 0100, 0200, 0201 and 0202: Developmental Test and Evaluation (DT&E) period starts with day following the end of Period 2 for each respective CLIN. Period 3 ends with a letter from the Contracting Officer acknowledging satisfactory completion of DT&E.

PERIOD 4 FOR CLINs 0100, 0200, 0201 and 0202 Operational Testing and Evaluation (OT&E) or Follow-on Operational Testing and Evaluation (FOT&E) (as appropriate): Period 4 starts the day following the end of Period 3 and ends with a letter from the Contracting Officer acknowledging satisfactory completion of OT&E or FOT&E (as appropriate).

The table below provides the maximum earnable percentage of the award fee pool applicable to each CLIN for each period. The maximum award fee pool shall be equal to 13% of the total estimated cost, less FCCM, to develop, deliver and test each CLIN.

Period	Milestone Event	Percentage of Award Fee Pool
1	CDR Completion	10%
2	IUT Completion	15%
3	DT&E Completion	25%
4	OT&E or FOT&E Completion (as appropriate)	50%

The dollar value of the award fee pools below will be determined after incorporation of the Phase II Price/Cost Proposal (See Clause H-20).

Period	CLIN 0100	CLIN 0200	CLIN 0201	CLIN 0202
1	\$	\$	\$	\$
2	\$	\$	\$	\$
3	\$	\$	\$	\$

## SECTION B –SUPPLIES OR SERVICES AND PRICES

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(d) Award Fee Evaluation Criteria

In evaluating the Contractor's performance during the stated periods, the evaluators will address the criteria identified below. The relative weights are provided in the parentheses following each criterion.

PERIOD 1 FOR CLINs 0100, 0200, 0201 and 0202: CDR.

1. Maximum use of PeopleSoft native capability (30%): Did the Contractor seek and develop solutions to problems that resulted in a potential savings of life cycle cost, a higher level of system flexibility, and a greater operational effectiveness and suitability? The primary method for reducing life cycle cost and increasing flexibility is use of the native capabilities of PeopleSoft HRMS. The Government's preferences to provide solutions, in descending order, are: PeopleSoft native capability; use of third party COTS solutions; and development of new code. As a result, greater award fee consideration will be given for design using PeopleSoft native capability than will be given for use of third party COTS solutions or development of new code.
2. Timeliness (30%): Was the Contractor ready to conduct the CDR as scheduled? Did the contractor successfully perform CDR in a timely manner?
3. Cost (20%): Did the Contractor show proper attention to cost control during the award fee period?
4. Thoroughness (10%): Did the Contractor thoroughly complete the CDR?
5. Documentation (5%): Did the Contractor fully provide design documentation to the Government that was valid and accurate? Did the Contractor expeditiously provide draft minutes of the review, proposed action item assignments and action item status?
6. Responsiveness (5%): Did the Contractor respond promptly and positively to technical issues raised during the CDR?

PERIOD 2 FOR CLINs 0100, 0200, 0201, and 0202: IUT Test

1. Maximum use of PeopleSoft native capability (30%): Did the Contractor seek and develop solutions to problems related to installation, check out and readiness for interim users testing which reduced the risk associated with acceptance by the Government? Did the Contractor make maximum use of PeopleSoft native capability to accomplish this? The Government's preferences to provide solutions, in descending order, are: PeopleSoft native capability; use of third party COTS solutions; and development of new code. As a result, greater award fee consideration will be given for design using PeopleSoft native capability than will be given for use of third party COTS solutions or development of new code.
2. Timeliness (30%): Was the Contractor ready to begin IUT as scheduled? Did the contractor successfully perform IUT in a timely manner?
3. Cost (20%): Did the Contractor show proper attention to cost control during the award fee period?
4. Thoroughness (10%): Did the Contractor thoroughly complete system and integration checkout and grooming for IUT?
5. Documentation (5%): Did the Contractor provide the government a full and valid set of working and final documentation required for verification of test results to the specification requirements for each CLIN?
6. Responsiveness (5%): Did the Contractor respond promptly and positively to issue resolution and integrating emerging requirements into the DIMHRS (Pers/Pay) baseline during the test period?



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**SECTION B –SUPPLIES OR SERVICES AND PRICES**


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**PERIOD 3 for CLINs 0100, 0200, 0201 and 0202: DT&E**

1. Maximum use of PeopleSoft native capability (30%): Did the Contractor seek and develop solutions to problems related to installation, check out and readiness for DT&E, which reduced the risk assessment associated with acceptance by the Government? Did the Contractor make maximum use of PeopleSoft native capability to accomplish this? The Government's preferences to provide solutions, in descending order, are: PeopleSoft native capability; use of third party COTS solutions; and development of new code. As a result, greater award fee consideration will be given for design using PeopleSoft native capability than will be given for use of third party COTS solution or development of new code.
2. Timeliness (30%): Was the Contractor ready to begin DT&E as scheduled? Did the contractor successfully pass DT&E in a timely manner?
3. Cost (20%): Did the Contractor show proper attention to cost control during the award fee period?
4. Thoroughness (10%): Did the Contractor thoroughly complete system and integration checkout and grooming for DT&E? Did the Contractor thoroughly train DT&E personnel?
5. Documentation (5%): Did the Contractor provide the Government a full and valid set of working and final documentation required for verification of test results to the specification requirements for each CLIN?
6. Responsiveness (5%): Did the Contractor respond promptly and positively to integrating emerging requirements into the DIMHRS (Pers/Pay) baseline during the DT&E period?

**PERIOD 4 for CLIN 0100: OT&E****PERIOD 4 for CLINs 0200, 0201 and 0202: FOT&E**

1. Maximum use of PeopleSoft native capability (30%): Did the Contractor seek and develop solutions to problems related to installation, check out and readiness for OT&E or FOT&E testing which reduced the risk associated with certification by COMOPTEVFOR? Did the Contractor make maximum use of PeopleSoft HRMS native capabilities in this effort? The Government's preferences to provide solutions, in descending order, are: PeopleSoft native capability; use of third party COTS solutions; and development of new code. As a result, greater award fee consideration will be given for design using PeopleSoft native capability than will be given for use of third party COTS solution or development of new code.
2. Timeliness (30%): Was the Contractor ready to begin OT&E or FOT&E (as appropriate) as scheduled in the contract? Did the contractor successfully pass OT&E or FOT&E (as appropriate) in a timely manner?
3. Cost (20%): Did the Contractor show proper attention to cost control during the award fee period?
4. Thoroughness (10%): Did the Contractor thoroughly complete system and integration checkout and grooming for OT&E or FOT&E? Did the Contractor train OT&E or FOT&E personnel?
5. Documentation (5%): Did the Contractor provide the OPTEVFOR Test Director a full and valid set of working and final documentation required for verification of test results to the specification requirements for each CLIN?
6. Responsiveness (5%): Did the Contractor respond promptly and positively to issue resolution and integrating emerging requirements into the DIMHRS Pers/Pay baseline during the OT&E or FOT&E period?

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SECTION B –SUPPLIES OR SERVICES AND PRICES

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**(e) Award Fee Performance Ratings**

Award Fee, beyond the base fee, amount shall be determined using the ratings provided below. The adjectival ratings also include a corresponding percentage that the Fee Determining Official shall use in making the award fee determination. The award fee percentage will be applied to the Award Fee Pool to determine the Award Fee for the period.

**Outstanding (100)** -- The Contractor's contribution is indispensable to the customer, and the quality of the contribution significantly exceeds the customer's expectations. The Contractor identifies areas of potential concern and provides suggestions that significantly improve results. Tasks are performed significantly ahead of schedule. The actual cost of Performance is well managed and significantly below the estimated total cost. The Contractor services are considered to be innovative and of the highest quality.

**Good (80)** -- The quality of the Contractor's contribution consistently exceeds the customer's expectations. Tasks are completed ahead of schedule with little or no direction from the customer. The Contractor identifies areas of potential concern and provides suggestions and/or resolves problems that improve results. The actual cost of performance is well managed and below total estimated costs.

**Satisfactory (60)** -- The quality of the Contractor's contribution usually meets the customer's expectations. Assigned tasks are completed, although with some direction from the customer and with the need for corrections and re-submissions. The Contractor sometimes identifies areas of potential concern, sometimes provides suggestions that improve results, and/or resolves problems to the satisfaction of the Government. The actual cost of performance usually meets total estimated costs.

**Marginal (40)** -- The quality of the Contractor's contribution usually falls below the customer's expectations. Tasks are often late and require rework before the customer considers them usable. The Contractor rarely identifies areas of potential concern, rarely provides suggestions that improve results and/or rarely resolves problems to the satisfaction of the Government. The actual cost of performance sometimes meets total estimated costs

**Unsatisfactory (0)** -- Contractor has been a detriment in the performance of assigned tasks. Constant direction is required. Tasks are often late and not always completed. Rework is normally required. The Contractor never identifies areas of potential concern, never provides suggestions and/or never resolves problems to the satisfaction of the Government. Cost control is poor and the actual cost of performance typically exceeds total estimated costs.

## SECTION B –SUPPLIES OR SERVICES AND PRICES

(f) Award Fee Calculation

The Government will calculate the award fee using the following table:

Evaluation Criteria	Relative Weighting	Award Fee Performance Rating	Weighted Score
Maximum Use of PeopleSoft Native Capability	30%		
Timeliness	30%		
Cost	20%		
Thoroughness	10%		
Documentation	5%		
Responsiveness	5%		

Total Score \_\_\_\_\_

The relative weightings will be multiplied by the award fee performance rating percentage to give a percentage weighted score. The sum of the percentage weighted scores is the total score. The Government will then multiply the award fee pool available for each period (see paragraph (c) for the available pool) by the total score above to get the total award fee percentage for each period.

(g) Payment of Award Fee

The Contractor shall be paid award fee, if any, upon submittal of a proper invoice or voucher to the cognizant payment office, together with a copy of the unilateral modification to the contract authorizing payment of award fee for the applicable evaluation period. The modification will establish a separate Award Fee CLIN for invoicing purposes.

(h) Award Fee Determination in Event of Termination or Discontinuance

In the event the Government terminates or discontinues performance on the entire contract, Award Fee for the period since the last Award Fee Evaluation period through the date of the contract termination or discontinuance will be determined using the procedures detailed in this clause. The Government intends to issue the Award Fee determination within 60 calendar days from the effective date of the contract termination or discontinuance.

### **B-3 DETERMINATION OF AWARD FEE for Deployment (CLINs 0372, 0471, 0472, and 0473)**

All Award Fee determinations for CLINs 0372, 0471, 0472, and 0473 shall be made in accordance with this clause.

(a) Award Fee Team

The Contractor's performance evaluation for each period will be conducted by an Award Fee Team consisting of the Fee Determining Official and the Award Fee Board (Board). The Board consists of the following:

- (1) Board Chairperson
- (2) Contracting Officer
- (3) Technical Director
- (4) Contract Specialist
- (5) Representatives from DFAS, JR&IO, and the Services

Appointments and changes to the membership of the Board may be made at the discretion of the Fee Determining Official.

## SECTION B –SUPPLIES OR SERVICES AND PRICES

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### (b) Award Fee Board Procedures

The initial award fee recommended by the Board is subject to concurrence by the Fee Determining Official who shall make the final determination of the award fee for each evaluation period. The award fee amount is a unilateral decision made solely at the discretion of the Government. In no event shall the award fee exceed the applicable percentages set forth in Section B of this contract. Each unilateral modification funding award fee to the contract shall be final.

The award fee, beyond the base fee amount of two-percent (2%), is not guaranteed in part or whole. If the Contractor fails to maintain an acceptable level of performance, the Government reserves the right to provide no award fee, beyond the base fee amount, for that period and to utilize any other remedies available to improve contract performance. The Contractor is entitled to invoice for earned base fee on a monthly basis. For each CLIN, the value of the base fee earned by the Contractor shall be calculated as follows:

$(\text{Total base fee}) \div (12 \text{ total months in period of performance}) = \text{monthly base fee.}$  (See Section F for period of performances for each CLIN)

e.g.: Total Base Fee \$120  $\div$  12 months in POP for CLIN XXXX = \$10 monthly base fee

The table below provides the monthly base fee for each CLIN. The Government shall provide the monthly base fee in accordance with the incorporated dollar values from the Phase II Price/Cost Proposal (See Clause H-20).

CLIN	Monthly Base Fee
0372	\$
0471	\$
0472	\$
0473	\$

In no circumstances will the sum of base fee payments exceed the base fee amount specified in Schedule B for each respective CLIN.

The Government may unilaterally make changes to this clause with the exception that no decrease may be made to the base fee amount, provided the Contractor receives written notice of the changes at least 15 calendar days prior to the beginning of the evaluation period to which the changes apply.

The Contractor may, at its discretion, submit a written presentation of its accomplishments and performance to the Board Chairperson within 7 working days after the completion of the award fee period. The Government intends to issue a unilateral modification to the contract to provide for the award fee within 60 days from the end of the award fee period. The above schedules are goals and failure to meet them shall not invalidate the award fee determination.

### (c) Event Evaluation and Applicable Award Fee

There are two separate event evaluations for CLINs 0372, 0471, 0472 and 0473. The evaluation periods for each CLIN are as follows:

PERIOD 1: Begins at option exercise and ends 6 months after option exercise.

PERIOD 2: Begins 6 months after option exercise and ends with a letter from the Contracting Officer acknowledging completion of deployment.

The table below provides the maximum earnable percentage of the award fee pool applicable to each CLIN for each period. The maximum award fee pool shall be equal to 8% of the total estimated cost, less FCCM, to deploy each CLIN.

## SECTION B –SUPPLIES OR SERVICES AND PRICES

Period	Percentage of Award Fee Pool
1	35%
2	65%

The dollar value of the award fee pools below will be determined after incorporation of the Phase II Price/Cost Proposal (See Clause H-20).

Period	CLIN 0372	CLIN 0471	CLIN 0472	CLIN 0473
1	\$	\$	\$	\$
2	\$	\$	\$	\$

(d) Award Fee Evaluation Criteria

In evaluating the Contractor's performance during the stated periods, the evaluators will consider the criteria identified below. The relative weights are provided in the parentheses following each criterion.

## (1) Quality of Work Performed (80%) (each factor is of equal importance):

(A) Technical Performance: Demonstrated effectiveness of the Contractor to manage resources to optimize the quality of product delivery, installation and successfully complete Site Testing and Site Acceptance.

(B) Schedule: Demonstrated effectiveness of the Contractor to adhere to delivery requirements and the Contractor's responsiveness to Government direction.

(C) Innovation and Integration: Demonstrated effectiveness of the Contractor to provide innovative solutions and focus on efficient installation and data migration efforts.

## (2) Cost Control (20%): Demonstrated effectiveness of the Contractor to manage costs in completing tasks.

(e) Award Fee Performance Ratings

Award Fee, beyond the base fee, amount shall be determined using the ratings provided below. The adjectival ratings also include a corresponding percentage that the Fee Determining Official shall use in making the award fee determination. The award fee percentage will be applied to the Award Fee Pool to determine the Award Fee for the period.

**Outstanding (100)** -- The Contractor's contribution is indispensable to the customer, and the quality of the contribution significantly exceeds the customer's expectations. The Contractor identifies areas of potential concern and provides suggestions that significantly improve results. Tasks are performed significantly ahead of schedule. The actual cost of Performance is well managed and significantly below the estimated total cost. The Contractor services are considered to be innovative and of the highest quality.

**Good (80)** -- The quality of the Contractor's contribution consistently exceeds the customer's expectations. Tasks are completed ahead of schedule with little or no direction from the customer. The Contractor identifies areas of potential concern and provides suggestions and/or resolves problems that improve results. The actual cost of performance is well managed and below total estimated costs.

**Satisfactory (60)** -- The quality of the Contractor's contribution usually meets the customer's expectations. Assigned tasks are completed, although with some direction from the customer and with the need for corrections and re-submissions. The Contractor sometimes identifies areas of potential concern, sometimes provides suggestions that improve results, and/or resolves problems to the satisfaction of the Government. The actual cost of performance usually meets total estimated costs.

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**Marginal (40)** -- The quality of the Contractor's contribution usually falls below the customer's expectations. Tasks are often late and require rework before the customer considers them usable. The Contractor rarely identifies areas of potential concern, rarely provides suggestions that improve results and/or rarely resolves problems to the satisfaction of the Government. The actual cost of performance sometimes meets total estimated costs

**Unsatisfactory (0)** -- Contractor has been a detriment in the performance of assigned tasks. Constant direction is required. Tasks are often late and not always completed. Rework is normally required. The Contractor never identifies areas of potential concern, never provides suggestions and/or never resolves problems to the satisfaction of the Government. Cost control is poor and the actual cost of performance typically exceeds total estimated costs.

(g) **Award Fee Calculation**

The Government will calculate the award fee using the following table:

Evaluation Criteria	Relative Weighting	Award Fee Performance Rating	Weighted Score
Quality of Work Performed	80%		
Cost	20%		

Total Score \_\_\_\_\_

The relative weightings will be multiplied by the award fee performance rating percentage to give a percentage weighted score. The sum of the percentage weighted scores is the total score. The Government will then multiply the award fee pool available for each period (see paragraph (c) for the available pool) by the total score (above) to get the total award fee percentage for each period.

(h) **Payment of Award Fee**

The Contractor shall be paid award fee, if any, upon submittal of a proper invoice or voucher to the cognizant payment office, together with a copy of the unilateral modification to the contract authorizing payment of award fee for the applicable evaluation period. The modification will establish a separate Award Fee CLIN for invoicing purposes.

(i) **Award Fee Determination in Event of Termination or Discontinuance**

In the event the Government terminates or discontinues performance on the entire contract, Award Fee for the period since the last Award Fee Evaluation period through the date of the contract termination or discontinuance will be determined using the procedures detailed in this clause. The Government intends to issue the Award Fee determination within 60 calendar days from the effective date of the contract termination or discontinuance.

### **B-4 DETERMINATION OF AWARD FEE for INNOVative technology insertion (CLIN 0103)**

All Award Fee determinations for CLIN 0103 shall be made in accordance with this clause.

(a) **Award Fee Team**

The Contractor's performance evaluation for each period will be conducted by an Award Fee Team consisting of the Fee Determining Official and the Award Fee Board (Board). The Board consists of the following:

- (1) Board Chairperson
- (2) Contracting Officer
- (3) Technical Director
- (4) Contract Specialist
- (5) Representatives from DFAS, JR&IO, and the Services

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Appointments and changes to the membership of the Board may be made at the discretion of the Fee Determining Official.

(b) Award Fee Board Procedures

The initial award fee recommended by the Board is subject to concurrence by the Fee Determining Official who shall make the final determination of the award fee for each evaluation period. The award fee amount is a unilateral decision made solely at the discretion of the Government. In no event shall the award fee exceed the applicable percentages set forth in Section B of this contract. Each unilateral modification funding award fee to the contract shall be final.

The award fee, beyond the base fee amount of two-percent (2%), is not guaranteed in part or whole. If the Contractor fails to maintain an acceptable level of performance, the Government reserves the right to provide no award fee, beyond the base fee, amount for that period and to utilize any other remedies available to improve contract performance. The Contractor is entitled to invoice for earned base fee on a monthly basis. The value of the base fee earned by the Contractor shall be calculated as follows:

$(\text{Total base fee}) \div (12 \text{ total months in period of performance}) = \text{monthly base fee.}$

e.g.: Total Base Fee \$120  $\div$  12 months in POP for CLIN XXXX = \$10 monthly base fee

The table below provides the monthly base fee for CLIN 0103. The Government shall provide the monthly base fee in accordance with the incorporated dollar values from the Phase II Price/Cost Proposal (See Clause H-20).

CLIN	Monthly Base Fee
0103	\$

In no circumstances will the sum of base fee payments exceed the base fee amount specified in Schedule B for CLIN 0103.

The Government may unilaterally make changes to this clause with the exception that no decrease may be made to the base fee amount, provided the Contractor receives written notice of the changes at least 15 calendar days prior to the beginning of the evaluation period to which the changes apply.

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The Contractor may, at its discretion, submit a written presentation of its accomplishments and performance to the Board Chairperson within 7 working days after the completion of the award fee period. The Government intends to issue a unilateral modification to the contract to provide for the award fee within 60 days from the end of the award fee period. The above schedules are goals and failure to meet them shall not invalidate the award fee determination.

(c) Event Evaluation and Applicable Award Fee

There are two separate event evaluations for CLIN 0103. The evaluation periods are as follows:

PERIOD 1: Begins at option exercise and ends 6 months after option exercise.

PERIOD 2: Begins 6 months after option exercise and ends 12 months after option exercise.

The table below provides the maximum earnable percentage of the award fee pool applicable to CLIN 0103 for each period. The maximum award fee pool shall be equal to 8% of the total estimated cost, less FCCM, to develop, deliver and test the CLIN.

Period	Percentage of Award Fee Pool
1	35%
2	65%

The dollar value of the award fee pools below will be determined after incorporation of the Phase II Price/Cost Proposal (See Clause H-20).

Period	CLIN 0103
1	\$
2	\$

(d) Award Fee Evaluation Criteria

In evaluating the Contractor's performance during the stated periods, the evaluators will consider the criteria identified below. The relative weights are provided in the parentheses following each criterion.

- (1) Competitive Sourcing of subsystems development and production (20%)
- (2) Adaptability of the acquisition program and its subsystems (20%)
- (3) Degree to which Contractor fosters the insertion of new cost-saving and performance -enhancing technologies into the DIHMRS Pers/Pay program (20%)
- (4) How well the Contractor subcontracts development efforts to small technology companies. (20%)
- (5) Cost Control (20%): Demonstrated effectiveness of the Contractor to manage costs in completing tasks.

(e) Award Fee Performance Ratings

Award Fee, beyond the base fee, amount shall be determined using the ratings provided below. The adjectival ratings also include a corresponding percentage that the Fee Determining Official shall use in making the award fee determination. The award fee percentage will be applied to the Award Fee Pool to determine the Award Fee for the period.

**Outstanding (100)** -- The Contractor's contribution is indispensable to the customer, and the quality of the contribution significantly exceeds the customer's expectations. The Contractor identifies areas of potential concern and provides suggestions that significantly improve results. Tasks are performed significantly ahead of schedule. The actual cost of Performance is well managed and significantly below the estimated total cost. The Contractor services are considered to be innovative and of the highest quality.

**Good (80)** -- The quality of the Contractor's contribution consistently exceeds the customer's expectations. Tasks are completed ahead of schedule with little or no direction from the customer. The Contractor identifies areas of



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potential concern and provides suggestions and/or resolves problems that improve results. The actual cost of performance is well managed and below total estimated costs.

**Satisfactory (60)** -- The quality of the Contractor's contribution usually meets the customer's expectations. Assigned tasks are completed, although with some direction from the customer and with the need for corrections and re-submissions. The Contractor sometimes identifies areas of potential concern, sometimes provides suggestions that improve results, and/or resolves problems to the satisfaction of the Government. The actual cost of performance usually meets total estimated costs.

**Marginal (40)** -- The quality of the Contractor's contribution usually falls below the customer's expectations. Tasks are often late and require rework before the customer considers them usable. The Contractor rarely identifies areas of potential concern, rarely provides suggestions that improve results and/or rarely resolves problems to the satisfaction of the Government. The actual cost of performance sometimes meets total estimated costs

**Unsatisfactory (0)** -- Contractor has been a detriment in the performance of assigned tasks. Constant direction is required. Tasks are often late and not always completed. Rework is normally required. The Contractor never identifies areas of potential concern, never provides suggestions and/or never resolves problems to the satisfaction of the Government. Cost control is poor and the actual cost of performance typically exceeds total estimated costs.

(f) **Award Fee Calculation**

The Government will calculate the award fee using the following table:

Evaluation Criteria	Relative Weighting	Award Fee Performance Rating	Weighted Score
Competitive Sourcing	20%		
Adaptability	20%		
Insertion of cost-saving and performance enhancing technologies	20%		
Small Business Participation	20%		
Cost Control	20%		

Total Score \_\_\_\_\_

The relative weightings will be multiplied by the award fee performance rating percentage to give a percentage weighted score. The sum of the percentage weighted scores is the total score. The Government will then multiply the award fee pool available for each period (see paragraph (c) for the available pool) by the total score (above) to get the total award fee percentage for each period.

(g) **Payment of Award Fee**

The Contractor shall be paid award fee, if any, upon submittal of a proper invoice or voucher to the cognizant payment office, together with a copy of the unilateral modification to the contract authorizing payment of award fee for the applicable evaluation period. The modification will establish a separate Award Fee CLIN for invoicing purposes.

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### (h) Award Fee Determination in Event of Termination or Discontinuance

In the event the Government terminates or discontinues performance on the entire contract, Award Fee for the period since the last Award Fee Evaluation period through the date of the contract termination or discontinuance will be determined using the procedures detailed in this clause. The Government intends to issue the Award Fee determination within 60 calendar days from the effective date of the contract termination or discontinuance.”

### **B-5 ALLOTMENT OF FUNDS (JAN 89) (SPAWAR 5252.232-9200)**

(Applicable to Cost plus fixed fee CLINs 0150, 0250, 0300, 0350, 0400, 0450, 0500, 0550, 0600, 0650, 0700, 0750, 0800, 0850, 0900, 0950, 1000, 1050)

- a. This contract is incrementally funded with respect to both cost and fee.
- b. The amounts presently available and allotted to this contract for payment of fee, as provided in the Section I clause of this contract entitled “FIXED FEE”, are as follows:

Item(s)	Allotted to Fixed Fee
0150	\$ *
0250	\$ *
0300	\$ *
0350	\$ *
0400	\$ *
0450	\$ *
0500	\$ *
0550	\$ *
0600	\$ *
0650	\$ *
0700	\$ *
0750	\$ *
0800	\$ *
0850	\$ *
0900	\$ *
0950	\$ *
1000	\$ *
1050	\$ *
<b>Total</b>	\$ *

\* The dollar values will be provided in individual funding modifications.

- c. The amounts presently available and allotted to this contract for payment of cost, subject to the Section I “LIMITATION OF FUNDS” clause, the items covered thereby and the period of performance which it is estimated the allotted amount will cover are as follows:

Item(s)	Allotted to Cost	Period of Performance
0150	\$ *	*
0250	\$ *	*
0300	\$ *	*
0350	\$ *	*
0400	\$ *	*
0450	\$ *	*
0500	\$ *	*
0550	\$ *	*
0600	\$ *	*
0650	\$ *	*
0700	\$ *	*

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Item(s)	Allotted to Cost	Period of Performance
0750	\$ *	*
0800	\$ *	*
0850	\$ *	*
0900	\$ *	*
0950	\$ *	*
1000	\$ *	*
1050	\$ *	*
<b>Total</b>	\$ *	

\* The dollar values and period of performances will be provided in individual funding modifications.

d. The parties contemplate that the Government will allot additional amounts to this contract from time to time by unilateral contract modification, and any such modification shall state separately the amounts allotted for cost and for fee, the items covered thereby, and the period of performance the amounts are expected to cover.

**B-6 5252.216-9204 LEVEL OF EFFORT--FEE ADJUSTMENT FORMULA (MAR 1994)**

(a) Subject to the provisions of the "Limitation of Cost" or "Limitation of Funds" clause (whichever is applicable to this contract), it is hereby understood and agreed that the fixed fee is based upon the Contractor providing the below listed number of staff-hours of direct labor, hereinafter referred to as X, at the estimated cost and during the term of this contract specified elsewhere herein:

<u>CLIN</u>	<u>Total Staff-hours of Direct Labor (X)</u>
0150	100,000
0250	100,000
0350	100,000
0450	100,000
0550	100,000
0650	100,000
0750	100,000
0850	100,000
0950	100,000
1050	100,000

The Contractor agrees to provide the total level of effort specified above in performance of work described in Sections "B" and "C" of this contract. The total staff-hours of direct labor shall include subcontractor direct labor hours for those subcontractors identified in the Contractor's proposal as having hours included in the proposed level of effort.

(b) Of the total staff-hours of direct labor set forth above, it is estimated that \_\_\_\_\_ [*Contractor to Insert*] staff-hours are competitive time (uncompensated overtime). Competitive time (uncompensated overtime) is defined as hours provided by personnel in excess of 40 hours per week without additional compensation for such excess work. All other effort is defined as compensated effort. If no amount is indicated in the first sentence of this paragraph, competitive time (uncompensated overtime) effort performed by the contractor shall not be counted in fulfillment of the level of effort obligations under this contract.

(c) Effort performed in fulfilling the total level of effort obligations specified above shall only include effort performed in direct support of this contract and shall not include time and effort expended on such things as local travel from an employee's residence to their usual work location, uncompensated effort while on travel status, truncated lunch periods, or other time and effort which does not have a specific and direct contribution to the tasks described in Section B.

## SECTION B –SUPPLIES OR SERVICES AND PRICES

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(d) It is understood and agreed that various conditions may exist prior to or upon expiration of the term of the contract, with regard to the expenditure of labor staff-hours and/or costs thereunder, which may require adjustment to the aggregate fixed fee. The following actions shall be dictated by the existence of said conditions:

(1) If the Contractor has provided not more than 105 % of X or not less than 95 % of X, within the estimated cost, and at the term of the contract, then the fee shall remain as set forth in Section B.

(2) If the Contractor has provided X-staff-hours, within the term, and has not exceeded the estimated cost then the Contracting Officer may require the Contractor to continue performance until the expiration of the term, or until the expenditure of the estimated cost of the contract except that, in the case of any items or tasks funded with O&MN funds, performance shall not extend beyond 30 September. In no event shall the Contractor be required to provide more than 105 % of X within the term and estimated cost of this contract. The fee shall remain as set forth in Section B.

(3) If the Contractor expends the estimated cost of the contract, during the term of the contract and has provided less than X staff-hours, the Government may require the Contractor to continue performance, by providing cost growth funding, without adjusting the fixed fee, until such time as the Contractor has provided X staff-hours.

(4) If the Contracting Officer does not elect to exercise the Government's rights as set forth in paragraph (d)(2) and (d)(3) above, and the Contractor has not expended more than 95% of X staff-hours, the fixed fee shall be equitably adjusted downward to reflect the diminution of work.

(5) Nothing herein contained shall, in any way, abrogate the Contractor's responsibilities, and/or the Government's rights within the terms of the contract provision entitled "Limitation of Cost" or "Limitation of Funds" as they shall apply throughout the term of the contract, based upon the total amount of funding allotted to the contract during its specified term.

(e) Within 45 days after completion of the work under each separately identified period of performance hereunder, the Contractor shall submit the following information in writing to the Contracting Officer with copies to the cognizant Contract Administration Office and DCAA office to which vouchers are submitted:

(1) The total number of staff-hours of direct labor expended during the applicable period.

(2) A breakdown of this total showing the number of staff-hours expended in each direct labor classification and associated direct and indirect costs.

(3) A breakdown of other costs incurred.

(4) The Contractor's estimate of the total allowable cost incurred under the contract for the period. In the case of a cost under-run, the Contractor shall submit the following information in addition to that required above:

(5) The amount by which the estimated cost of this contract may be reduced to recover excess funds and the total amount of staff-hours not expended, if any.

(6) A calculation of the appropriate fee reduction in accordance with this clause.

All submissions required by this paragraph shall include subcontractor information, if any.

### (f) SPECIAL INSTRUCTION TO THE PAYING OFFICE REGARDING WITHHELD FEE

Fees withheld pursuant to the provisions of this contract, such as the withholding provided by the "Allowable Cost and Payment" and "Fixed Fee" clauses, shall not be paid until the contract has been modified to reduce the fixed fee in accordance with paragraph (d) above, except that no such action is required if the total level of effort provided falls within the limits established in paragraph (d) above.

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## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

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### SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

#### C-1 APPLICABLE DOCUMENTS

See Section J and Clause H-13 of this contract for a list of applicable documents.

#### C-2 PHASE I (CLINS 0001 AND 0002) DELIVERABLES

The Contractors shall provide the following deliverables in accordance with the terms and conditions of this contract. Each deliverable must be complete and traceable to all related deliverables. These deliverables will, if a development option is exercised and at the discretion of the Government, be incorporated as attachments into the contract.

The Contractor shall participate in a minimum of three meetings and reviews in New Orleans, LA or Arlington, VA. The first meeting will be the post-award conference, and will be held approximately ten (10) business days after award. The next two meetings will be held approximately thirty (30), and sixty (60), respectively, calendar days after award, to review the Contractor's status to date on all deliverables. The Contractor shall prepare a status brief, including information regarding the status of each deliverable, and provide it to the Government at least two (2) business days prior to each meeting.

##### CLIN 0001AA System Specification

The Contractor shall develop and provide to the Government a system specification for DIMHRS (Pers/Pay). The DIMHRS (Pers/Pay) system specification shall satisfy all requirements found in Attachments 1 (Operational Requirements Document) and 2 (Design Reference Mission). The DIMHRS (Pers/Pay) system specification shall be developed in accordance with IEEE 12207. In addition, Attachment (11) provides the outline for which Contractors shall use in developing the System Specification. The System Specification shall identify interfaces in the DoD personnel and pay environment identified in the Operational Requirements Document (ORD) (Attachment 1) and Government Furnished Information (GFI) identified in H-13. This includes compatibility with existing standards as specified in the Joint Technical Architecture (JTA), the emerging DoD Financial Management Architecture, or other DoD mandated standards identified in the ORD and the Design Reference Mission (DRM) (Attachments 1 and 2).

The Contractor shall provide a traceability matrix from the ORD and DRM (Attachments 1 and 2) to the system specification. The system specification shall be compatible with Rational Requisite Pro.

##### CLIN 0001AB Risk Assessment

Given the requirements contained in this contract and the guidance regarding Risk Management provided in the DoD 5000 series documents (see <http://web2.deskbook.osd.mil/htmlfiles/rlcats.asp> for a DoD Reference Library), the Contractor shall provide a risk assessment of the DIMHRS (Pers/Pay) program. As part of the assessment, the Contractor shall describe each risk (cost, technical, and schedule), the likelihood of each risk, and the impact (high, medium, low) if the risk becomes reality. Further, the Contractor shall, for each risk identified, provide a mitigation plan and recommendation.

A section of the risk assessment shall provide an analysis of the requirements in the ORD (Attachment 1) and the DRM (Attachment 2). Specifically, if there are requirements that are 1) technically unfeasible, or 2) cost prohibitive, the Contractor shall list the requirement, rationale describing why it is unreasonable or unrealistic, and offer an alternative solution. Additionally, for requirements that offer little to no perceived value at a high cost, the Contractor shall provide a cost-benefit analysis with rough order of magnitude cost estimates. ***Note that this assessment does not obviate the requirement for the Contractor to meet any of the requirements stated in this contract.***

## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

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### CLIN 0001AC Program Management Plan and Integrated Master Schedule

Given the requirements and objectives described in this contract and its attachments, the Contractor shall develop a Program Management Plan (PMP) that it will use, if awarded an option, to manage the DIMHRS (Pers/Pay) Program. The PMP shall include but not be limited to:

- Project Management and Project Functional Organization
- Team structure, rules of engagement, and work planning, execution and review processes and procedures.
- The following Integrated Product Teams (IPTs) are contemplated by the Government:
  - Integrated Logistics Support Matrix IPT
  - Legacy Systems IPT
  - Risk Management IPT
  - Cost as an Independent Variable IPT
  - Data Management IPT
  - Test and Evaluation IPT
  - Systems Engineering IPT
  - Security IPT
- Subcontract Management Plan
- Earned Value Management System Plan, including Contract Work Breakdown Structure with cost and schedule allocated to level 3 as a minimum
- Contract Management Plan
- Configuration Management Plan
- Integrated Logistic Support Plan
- Quality Assurance Plan
- Key Personnel Directory and qualifications
- The Contractor shall propose an integrated data environment (IDE), and document in this plan how it will be implemented. The Contractor shall provide information regarding the IDE proposed, as well as rationale for selection.
- The Contractor shall provide an integrated master schedule (IMS) that meets or accelerates the program schedule below, and that is consistent with all other Phase I deliverables. Contractors are encouraged to develop schedule solutions that provide for fielding incremental and serviceable functionality as rapidly as possible to the users.
- Training Plan

### CLIN 0001AD Technical Approach Plan and Statement of Work

The Technical Approach Plan consists of two parts: 1) Overall approach, and 2) Statement of Work (SOW), including Data Requirements.

#### **1. Overall Approach:**

The Contractor shall provide a high-level plan that documents its overall approach to the Phase II effort consistent with the requirements of this contract. The Overall Approach of the Technical Approach Plan shall include, but not be limited to:

- Technical Approach Overview
- Database Engine Rationale, and contribution it makes in meeting overall system, and contract, requirements
- Explanation and rationale for its proposed data mart functionality and brokering mechanism to provide a single, standard interface for all systems external to DIMHRS (Pers/Pay).
- System Extensibility Description
- Proposed Key Personnel and Qualifications
- Proposed Data Model
- Proposed System Architecture
- Proposed Security Solution
- *PeopleSoft* Compatibility Plan (Highlighting any departures from its native functionality)
- Proposed contractor testing and test exit criteria

## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

- Proposed incremental delivery of UA 1 Functionality

### **2. Statement of Work (SOW):**

Using the objectives highlighted in the attached Statement of Objectives (SOO) (Attachment 7) and the requirements in the ORD and DRM, the Contractor shall develop a Statement of Work (SOW) for Phase II of the contract. The Government suggests that in developing the Phase II SOW using the guidelines contained in MIL-HDBK-245D. A copy of this document can be obtained at the following web address: <http://www.acq-ref.navy.mil/tools/turbo/topics/by.cfm>.

### **3. Contract Data Requirements Listing (CDRL):**

Contractors should propose a strategy and approach to providing the data needed by the Government to manage the contract and support the system over the life cycle based on the activities performed during execution of the contract. Contractors should ensure that all data needed following transition back to the Government is provided.

The chart below outlines which Exhibits are applicable to which line items.

<b>Exhibit</b>	<b>CLINs</b>
A	0002
B	0101, 0203
C	0151, 0251
	0351, 0451
	0551, 0651
	0751, 0851
	0951, 1051
D	0373, 0474
E	0401, 0501
	0601, 0701
	0801, 0901
	1001
F	0503, 0603
	0703, 0803
	0903, 1003

The following is a list of guidelines the Contractor should use in providing their data proposal.

1. Under CLIN 0002, all Exhibit Numbers A001 through A009 are required.
2. Under CLINs 0503, 0603, 0703, 0803, 0903 and 1003, Exhibit Number F001 is required.
3. CDRL Exhibit Numbers 0036, 0037 and 0038 are required for all CLINs 0101-1001, excluding line 1 & 2 above.
4. The remaining CDRL Exhibit Numbers 0001-0035 are potential data requirements. Contractors shall use these exhibits as references to propose data deliverables supporting the objectives highlighted in the SOO (Attachment 7) and the requirements in the ORD and DRM (Attachments 1 and 2).
5. In the Contractor's proposal for data, the Contractor's proposed CDRL exhibit and CLIN numbers shall be contained in the appropriate blocks on the form DD1423.

### **CLIN 0001AE Comprehensive Analysis Report**

The Joint Requirements and Integration Office (JR&IO) is facilitating a Comprehensive Analysis with the Services and DFAS participation to determine the fits and gaps (fit/gap) for the identified business areas involved in DoD personnel and pay. The Contractor is invited to participate in Comprehensive Analysis work sessions through 20 December 2002. The Government representatives meet Monday through Thursday of each workweek, except Conformed through P00005

## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

holidays. These work sessions will be conducted in facilities in Arlington, VA (at the JR&IO). For each of the 5 teams, the Contractor is limited to 1 participant per team each day. Rules of Engagement for these meetings will be provided to each Contractor at their respective Post-award conference. The Rules of Engagement will provide additional information to the Contractor regarding exact location, specific times, etc.

An initial fit/gap analysis of *PeopleSoft* HRMS was completed in August 2001 and is being provided as [Government Furnished Information](#). Listed below in Table ES-1 are the twenty-one business areas that have been identified for Comprehensive Analysis with a planned completion date in 20 December 2002.

Area	Description
BA1	Hire Enlisted
BA2	Transfer (Assignment)
BA3	Salary, Planning, Multi-Comp Pay, Comp Rate Code Frequencies, Time & Labor, Pay Earnings Codes
BA4	Hire Officer
BA5	Termination
BA6	Family Status Change
BA7	Leave Accrual and Other Benefits
BA8	Contracts
BA9	Data Change (Personnel Record Correction)
BA10	Administer Training and Plan Careers
BA11	Transfer Inter and Intra Service, Reserve Category Change, Active Duty
BA12	Assignment and Track Global Assignment (Temporary Duty, Deployment)
BA13	Promotion/Demotion/Pay Rate Change
BA14	Re-Hire Enlisted
BA15	Re-Hire Officer
BA16	Retirement
BA17	Leave of Absence/Paid Leave of Absence/Return from Leave
BA18	Pension Service Calculation
BA19	Disciplinary Actions/Grievances
BA20	Monitor Health and Safety
BA21	Honors and Awards

Table ES-1—Comprehensive Analysis Business Areas

The Comprehensive Analysis refines at a lower level many of the steps required to complete activities and processes for the requirements specified in the ORD. The Comprehensive Analysis is the Government's effort to identify areas where the *PeopleSoft* HRMS product meets DIMHRS (Pers/Pay) functional requirements and where gaps may exist that would be filled by third party COTS, Government-Off-The-Shelf (GOTS), or custom developed code or some other solution. The products resulting from the Comprehensive Analysis are the DIMHRS (Pers/Pay) Business Rules, Process Model, and Data Reports, which will be provided for information use only following the completion of each business area analysis report.

The last Comprehensive Analysis meeting is scheduled for **20 December 2002**. The Contractor shall provide a Comprehensive Analysis Report following the last meeting. The report shall include a review of the meetings on a weekly level, as well as the Contractor's lessons learned from the process.

**CLIN 0002:** The data items described in Contract Data Requirements List (Exhibit A) will be required under CLIN 0001; this is a Firm Fixed Price CLIN, but not separately priced from CLIN 0001.

### C-3 PHASE II CLIN DESCRIPTIONS

The Option CLIN descriptions are provided below:



## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

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CLINs 0100, 0200, 0201, 0202: DIMHRS (Pers/Pay) Full Functionality Development - The DIMHRS (Pers/Pay) system functionality shall provide a fully integrated Pers/Pay system in accordance with the requirements outlined in the Operational Requirements Document (ORD) (Attachment 1) and Design Reference Mission (DRM) (Attachment 2.) The Contractor will be responsible for minimizing customization of COTS products in developing DIMHRS (Pers/Pay) to develop the system required capability set forth in the ORD and DRM along with any necessary augmentation to enable data reconciliation and system synchronization. The Contractor is required to provide all appropriate license rights in all data and software sufficient for DOD use, with the exception of PeopleSoft HRMS. In addition to the objectives and tasks outlined in the Statement of Objectives [Attachment (7)], the following additional information is provided:

CLIN 0100 - is defined to be the integration of personnel and pay functionality. This is defined in the ORD and the DRM, to include full system functionality pursuant to the ORD and DRM including a common database, all pay computation, support to the warfighter, data brokering and industry standard interfacing mechanisms to manage persistent legacy system interactions. CLIN 0100 will provide full system functionality with Army specific requirements. It will include the migration of data from Army legacy systems as defined in the ORD. Additionally, any legacy system scheduled for replacement by DIMHRS (Pers/Pay) will have the necessary data conversion performed and migrated.

For CLIN 0100AA, Preliminary PeopleSoft Native Functionality, an Interim Users Test applies: The scope of IUT is the initial functionality delivered using PeopleSoft native HRMS with Global Payroll capabilities. IUT also stresses the system under test to the limits of the Operational Mode Summary/Mission Profile by “pushing the envelope” to ensure expected operational performance requirements can be satisfied. The results of IUT will be used by the Program Manager to determine risk associated with exercising further contract options. The successful completion of IUT prior to DT&E is required for DIMHRS (Pers/Pay) CLIN 0100, Army Personnel and Pay functionality. The contractor shall perform IUT in order to assist the Joint Program Manager in determining the initial readiness of the system to enter into the system demonstration phase. The Government will not exercise further development CLINS until satisfactory completion of IUT..

For CLIN 0100AB, Complete DIMHRS software modules - Development Test and Evaluation (DT&E), and Operational Test and Evaluation (OT&E), apply: DT&E is required for all developmental acquisition programs. DT&E is performed by the D&I contractor to assist the Program manager in determining the readiness of the system for Operational Evaluation and Testing (OPEVAL or OT) by the OT agent (in this case COMOPTEVFOR). DT&E will test against OT&E requirements as detailed in the Test and Evaluation Master Plan (TEMP) in operationally relevant environments (simulated or actual). DT&E also stresses the system under test to the limits of the Operational Mode Summary/Mission Profile by “pushing the envelope” to ensure expected operational performance requirements can be satisfied. OT&E determines operational effectiveness and suitability of a system under realistic operational conditions, including combat. OT&E is used to determine if the thresholds and objectives in the approved ORD have been satisfied; and assess impact to combat operations.

For CLIN 0100, Initial Operating Capability (IOC) will be achieved upon satisfactory completion of OT&E and the Contracting Officer’s notification that CLIN 0100 is suitable for operational use and approval for OT&E test sites to “Go Live”, and these sites are operational. CLIN 0100 will contain the following:

- Implementation of PeopleSoft Human Capital Management (HCM) and Global Pay modules provided by the Government.
- Implementation of persistent legacy system interfaces for CLIN 0100 through an industry standard brokering mechanism.
- Establishment of the DIMHRS (Pers/Pay) authoritative database which meets requirements outlined in GCSS CINC Requirements (provided as GFI).
- Migration of DIMHRS (Pers/Pay) Core and Army specific legacy data.
- Implementation of DIMHRS (Pers/Pay) Core and Army specific functionality to include but not limited to:

## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

### Access Officer Personnel

Access Enlisted Personnel  
 Support Casualty Processing  
 Pay Computation for all Army Components  
 Discharge Personnel  
 Transfer Personnel  
 Retire Personnel  
 Promote Personnel  
 Provide Administrative Support  
 Administer Manpower Requirements  
 Project Resource Requirements  
 Utilize Personnel  
 Educate Personnel  
 Manage Family Support

CLIN 0200 — is defined as enhancements to the integrated personnel and pay functionality (CLIN 0100). CLIN 0200 will incorporate enhancements to the system for the Navy and necessary Army augmentation. The broker and interface mechanisms repository will be expanded to accommodate Navy legacy systems. Additionally, any legacy system scheduled for replacement by DIMHRS (Pers/Pay) will have the necessary data conversion performed and migrated. SubCLINs 0200AA and 0200AB for IUT and FOT&E will follow the same requirements as discussed above.

CLIN 0201 — is defined as enhancements to the integrated personnel and pay functionality (CLINs 0100 and 0200). CLIN 0201 will incorporate enhancements to the system for the Marine Corps. and necessary Navy and Army augmentation. The broker and interface mechanisms repository will be expanded to accommodate Marine Corps. legacy systems. Additionally, any legacy system scheduled for replacement by DIMHRS (Pers/Pay) will have the necessary data conversion performed and migrated. SubCLINs 0201AA and 0201AB for IUT and FOT&E will follow the same requirements as discussed above.

CLIN 0202 — is defined as enhancements to the integrated personnel and pay functionality (CLINs 0100, 0200 and 0201). CLIN 0202 will incorporate enhancements to the system for the Air Force and necessary Marine Corps. Navy and Army augmentation. The broker and interface mechanisms repository will be expanded to accommodate Air Force legacy systems. Additionally, any legacy system scheduled for replacement by DIMHRS (Pers/Pay) will have the necessary data conversion performed and migrated. SubCLINs 0202AA and 0202AB for IUT and FOT&E will follow the same requirements as discussed above.

For CLINs 0100, 0200, 0201, and 0202, as well as associated CLINS, the following addresses Tiers I, II and III support: The necessary Tier I, II and III support is defined in the DRM, under Implementation Environment.

**CLINs 0101, 0104, 0151, 0203, 0251, 0301, 0351, 0373, 0401, 0451, 0474, 0501, 0551, 0601, 0651, 0701, 0751, 0801, 0851, 0901, 0951, 1001 and 1051:** Data under these CLINs will be delivered in accordance with the DD-1449 Contract Data Requirements List attached to this contracts as Exhibits. The applicable exhibits are as follows:

CLIN	Exhibit
0101 and 0203	B
0104, 0151, 0251, 0351, 0451, 0551, 0653, 0751, 0851, 0951, 1051	C
0373 and 0474	D
0301, 0401, 0501, 0601, 0701, 0801, 0901, 1001	E

The data items described in Exhibit A, B, C, D and E respectively, will not be separately priced.

## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

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**CLINS 0102, 0152, 0204, 0205, 0206, 0252, 0302, 0352, 0374, 0402, 0452, 0475, 0476, 0477 0502, 0552, 0602, 0652, 0702, 0752, 0802, 0852, 0902, 0952, 1002, 1052:** The CLINs are for other direct costs associated with their respective development, emergent requirement, deployment, or sustainment CLIN. ODCs may include incidental travel, subsistence, and material costs associated with accomplishing the requirements under the specific line item. Travel shall be reimbursed at cost in accordance with the Joint Travel Regulation (JTR) rates in effect at the actual time of travel, plus any applicable General & Administrative (G&A) expenses applied. Materials shall be reimbursed at actual and verifiable cost inclusive of any material handling charges, plus any applicable G&A expenses. ODCs shall not be fee bearing. Travel will be in accordance with clause H-16

**CLIN 0103 – CLIN 0103 –** The Contractor shall conduct Innovative Technology Insertion in accordance with Attachment (12), SBIR Insertion Plan. The Contractor shall submit an annual report to the Contracting Officer documenting progress in implementing its plan. Deviations from the plan are to be approved in accordance with clause H-17 of this contract. In implementing Innovative Technology Insertion, the Contractor shall make every effort to employ competitive sourcing of subsystems development and production; ensure the technology insertion is adaptable within the acquisition program; offer new cost saving and performance enhancing technologies to the DIMHRS (Pers/Pay) program; and subcontract development efforts to small technology companies to the maximum extent possible.

**CLINs 0150, 0250, 0350, 0450, 0550, 0650, 0750, 0850, 0950, 1050:** Emergent DIMHRS (Pers/Pay) Requirements /Support Services functionality including engineering and development will be Cost Plus Fixed Fee line items.

**CLIN 0372:** The Army and Pay deployment CLIN is a Cost Plus Award Fee line item. The Contractor will be required to take those steps necessary to deploy this DIMHRS (Pers/Pay) solution to all Army sites listed in Appendix (B) in accordance with the concept of operations.

**CLIN 0471:** The Navy deployment CLIN is a Cost Plus Award Fee line item. The Contractor will be required to take those steps necessary to deploy this DIMHRS (Pers/Pay) solution to all Navy sites listed in Appendix (C) in accordance with the concept of operations.

**CLIN 0472:** The Marine Corps deployment CLIN is a Cost Plus Award Fee line item. The Contractor will be required to take those steps necessary to deploy this DIMHRS (Pers/Pay) solution to all Marine Corps sites listed in Appendix (D) in accordance with the concept of operations.

**CLIN 0473:** The Air Force deployment CLIN is a Cost Plus Award Fee line item. The Contractor will be required to take those steps necessary to deploy this DIMHRS (Pers/Pay) solution to all Air Force sites listed in Appendix (E) in accordance with the concept of operations.

**CLINs 0300, 0400, 0500, 0600, 0700, 0800, 0900, and 1000:** These CLINs provide for the sustainment of the DIMHRS (Pers/Pay) system once it is deployed. The sustainment effort will be defined in the Contract Statement of Work (Attachment 3). These are level of effort Cost Plus Fixed Fee CLINs.

**CLIN 0503, 0603, 0703, 0803, 0903, 1003:** Exhibit F is separately priced. The data and software provided by the Contractor shall provide license rights to the data and software sufficient to allow the Government to use the data for the competitive procurement of DIMHRS Pers/Pay augmentation and sustainment support once full operating capability has been achieved. These CLINs are for delivery of license rights in all data and software delivered under this contract. The license rights shall permit use of any data and software delivered under this contract by the Government or the Government's agent for the operation, maintenance, and upgrading of the DIMHRS (Pers/Pay) System.

### C-4 SECURITY REQUIREMENTS

(Applicable to Phase II CLINs only)

The work to be performed under this contract as delineated in the DD Form 254, Attachment 10 involves access to and handling of classified material up to and including Secret.

## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

In addition to the requirements of the FAR 52.204-2 “Security Requirements” clause, the Contractor shall appoint a Security Officer, who shall (1) be responsible for all security aspects of the work performed under this contract, (2) assure compliance with the National Industry Security Program Operating Manual (DODINST 5220.22M), and (3) assure compliance with any written instructions from the Security Officer.

Space and Naval Warfare Systems Command  
4301 Pacific Highway  
San Diego, CA 92110-3127

### C-5 WORKWEEK

(Applicable to all CLINs)

(a) A portion of the effort under this contract will be performed on a Government installation. The normal workweek for Government employees at the Space and Naval Warfare Information Technology Center, New Orleans is 40-hour workweeks, excluding Federal Holidays. Work at this Government installation, shall be performed by the Contractor within the normal workweek unless differing hours are specified on the individual task orders. Following is a list of holidays observed by the Government:

<u>Name of Holiday</u>	<u>Time of Observance</u>
New Year's Day	1 January
Martin Luther King Jr. Day	Third Monday in January
Mardi Gras	47 days before Easter
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	4 July
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Veteran's Day	11 November
Thanksgiving Day	Fourth Thursday in November
Christmas Day	25 December

(b) If any of the above holidays occur on a Saturday or a Sunday, then such holiday shall be observed by the Contractor in accordance with the practice as observed by the assigned Government employees at the using activity.

(c) If the Contractor is prevented from performance as the result of an Executive Order or an administrative leave determination applying to the using activity, such time may be charged to the contract as direct cost provided such charges are consistent with the Contractor's accounting practices.

(d) This contract does not allow for payment of overtime during the normal workweek for employees who are not exempted from the Fair Labor Standards Act unless expressly authorized by the Ordering Officer. Under Federal regulations the payment of overtime is required only when an employee works more than 40 hours in a normal week period.

### C-6 NOTICE TO CONTRACTOR OF CERTAIN DRUG DETECTION PROCEDURES

(Applicable to ALL CLINS)

(a) Pursuant to Navy policy applicable to both Government and Contractor personnel, measures will be taken to prevent the introduction and utilization of illegal drugs and related paraphernalia into Government Work areas.

(b) In furtherance of the Navy's drug control program, unannounced periodic inspections of the following nature may be conducted by installation security authorities:

(1) Routine inspection of Contractor occupied workspaces.

## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

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(2) Random inspections of vehicles on entry or exit, with drug detection dog teams as available, to eliminate them as a safe haven for storage of or trafficking in illegal drugs.

(3) Random inspections of personnel possessions on entry or exit from the installation.

(c) When there is probable cause to believe that a Contractor employee on board a naval installation has been engaged in use, possession or trafficking of drugs, the installation authorities may detain said employee until the employee can be removed from the installation, or can be released to the local authorities having jurisdiction.

(d) Trafficking in illegal drug and drug paraphernalia by contract employees while on a military vessel/installation may lead to possible withdrawal or downgrading of security clearance, and/or referral for prosecution by appropriate law enforcement authorities.

(e) The Contractor is responsible for the conduct of employees performing work under this contract and is, therefore, responsible to assure that employees are notified of these provisions prior to assignment.

(f) The removal of Contractor personnel from a Government vessel or installation as a result of the drug offenses shall not be cause for excusable delay, nor shall such action be deemed a basis for an equitable adjustment to price, delivery or other provisions of this contract.

### C-7 YEAR 2000 COMPLIANCE REQUIREMENT--INFORMATION TECHNOLOGY

(Applicable to ALL CLINs)

(a) All information technology (IT), whether commercial or noncommercial, delivered under this contract that will be required to perform date/time processing involving dates subsequent to December 31, 1999, shall be Year 2000 compliant when properly installed, operated, and maintained in accordance with the contract specifications and applicable documentation. If the contract requires that specific deliverables operate together as a system, this requirement shall apply to those deliverables as a system.

#### (b) *Definitions*

“Commercial items” is defined at the FAR 52.202-1 “Definitions” clause of this contract.

“Information technology” or “IT” as used in this requirement, means any equipment, or interconnected system(s) or subsystem(s) of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency.

(1) For purposes of this definition, equipment is used by an agency if the equipment is used by the agency directly or is used by a Contractor under a contract with the agency which--

(i) Requires the use of such equipment; or

(ii) Requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

(2) The term “information technology” includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

(3) The term “information technology” further includes for this contract--

(i) Any equipment that is acquired by a Contractor incidental to a contract; or

(ii) Any IT (regardless of the source) used by the Contractor in the performance of this contract to develop or modify IT under the requirements of this contract, or

(iii) Any equipment that contains imbedded information technology that is used as an integral part of the product, but the principal function of which is not the acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For example, HVAC (heating, ventilation, and air conditioning) equipment such as thermostats or temperature control devices, and medical equipment where information technology is integral to its operation, are information technology.

“Year 2000 compliant” means that the IT accurately processes date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to *the extent* that other IT, used in combination with the IT being delivered, properly exchanges date/time data with it. The “*proper exchange*” of date/time data shall be in accordance with the interface requirement specification(s) of the contract.

## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

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(c) For line item deliverables which are commercial items, and which include commercial IT, the terms and conditions of the standard commercial warranty covering such commercial IT shall apply in addition to, and to the extent such terms and conditions are consistent with, this requirement. Any applicable commercial warranty shall be incorporated into this contract by attachment.

(d) Notwithstanding any provision to the contrary in any warranty of this contract, or in the absence of any such warranty or warranties, the remedies available to the Government under this requirement shall include those provided in the inspection clause(s) of this contract. Nothing in this requirement shall be construed to limit any rights or remedies the Government may otherwise have under this contract.

### C-8 KEY PERSONNEL

(Applicable to All CLINs)

(a) The Offeror agrees to assign to this contract those key personnel listed in paragraph (d) below. No substitutions shall be made except in accordance with this clause.

(b) The Offeror agrees that during the first 180 days of the contract performance period no personnel substitutions will be permitted unless such substitutions are necessitated by an individual's sudden illness, death or termination of employment, or are approved by the Government. In any of these events, the Contractor shall promptly notify the Contracting Officer and provide the information required by paragraph (c) below. After the initial 180 day period, all proposed substitutions must be submitted in writing, at least 15 days (30 days if a security clearance is to be obtained) in advance of the proposed substitutions to the contracting officer. These substitution requests shall provide the information required by paragraph (c) below.

(c) All requests for approval of substitutions under this contract must be in writing and provide a detailed explanation of the circumstances necessitating the proposed substitutions. They must contain a complete resume for the proposed substitute or addition, and any other information requested by the Contracting Officer or needed by him to approve or disapprove the proposed substitutions. All substitutions proposed during the duration of this contract must have qualifications that meet or exceed those of the person being replaced. The Contracting Officer or his or her authorized representative will evaluate such requests and promptly notify the Contractor of approval or disapproval thereof in writing. Submittals shall be in the same format the Contractor used in subCLINs 0001AC and 0001AD.

(d) List of Key Personnel

Position	Name	Contract Labor Category

(e) If the Contracting Officer determines that suitable and timely replacement of key personnel who have been reassigned, terminated or have otherwise become unavailable for the contract work is not reasonably forthcoming or that the resultant reduction of productive effort would be so substantial as to impair the successful completion of the contract or the service order, the contract may be terminated by the Contracting Officer for default or for the convenience of the Government, as appropriate. In addition, if the Contractor is found at fault for the condition, the

## SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

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Contracting Officer may elect to equitably decrease the contract price or fixed fee to compensate the Government for any resultant delay, loss or damage.

(f) If the Offeror wishes to add personnel to be used in a labor category it shall employ the procedures outlined in paragraph (c) above. Adding personnel will only be permitted in the event of an indefinite quantity contract, where the Government has issued a delivery order for labor hours that would exceed a normal forty-hour week if performed only by the number of employees originally proposed.

### **C-9 ACCESSIBILITY OF ELECTRONIC AND INFORMATION TECHNOLOGY (JUN 2001)**

(a) Each Electronic and Information Technology (EIT) supply or service provided under this contract shall comply with the EIT Accessibility Standards listed below:

- ☒ 36 C.F.R. § 1194.21 (Software Applications and operating systems)
- ☒ 36 C.F.R. § 1194.22 (Web-based and internet information and applications)
- ☐ 36 C.F.R. § 1194.23 (Telecommunications products)
- ☐ 36 C.F.R. § 1194.24 (Video and multimedia products)
- ☐ 36 C.F.R. § 1194.25 (Self contained, closed products)
- ☒ 36 C.F.R. § 1194.26 (Desktop and portable computers)

In addition, each EIT supply or service provided under this contract shall comply with 36 C.F.R. § 1194.31 (Functional performance criteria) and 36 C.F.R. § 1194.41 (Information, documentation, and support).

(b) If the Contracting Officer determines that any supply or service delivered under this contract does not comply with the EIT Accessibility Standards, the Contracting Officer will notify the Contractor in writing accordingly. If the Contractor fails to promptly correct or replace the nonconforming products or services with conforming products or services within the delivery schedule contained in the contract, the Government will have the rights and remedies contained in the contract.

### **C-10 ORDER OF PRECEDENCE UNIFORM CONTRACT CODE**

a. Phase I (through the exercise of CLIN 0100):

This clause is used in lieu of FAR 52.215-8. Any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order:

- a) The Schedule
- b) Representations and other instructions
- c) Contract clauses
- d) ORD, Attachment (1)
- e) DRM, Attachment (2)
- f) All other [Contract Attachments](#) (these are all of equal importance)
- g) H-13 [GFI Documents](#) (these are all of equal importance)

b. Phase II (effective upon exercise of CLIN 0100):

This clause is used in lieu of FAR 52.215-8. Any inconsistency in the contract shall be resolved by giving precedence in the following order:

- a) The Schedule
- b) Representations and other instructions
- c) Contract Clauses
- d) Section J-1, Contract Exhibits
- e) ORD (Attachment 1)
- f) DRM (Attachment 2)
- g) Statement of Work (Attachment 3)
- h) System Specification (Attachment 4)
- i) Integrated Master Schedule (Attachment 6)
- j) Program Management Plan (Attachment 5)

SECTION C – DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

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- k) Small Business Subcontracting Plan (Attachment 8)
- l) SBIR Insertion Plan (Attachment 12)
- m) All other aspects of the Contractor's Phase II proposal not otherwise listed herein.
- n) Financial Accounting Data Sheet (Attachment 9)
- o) Security Form DD254 (Attachment 10)
- p) Phase II Statement of Objectives (Attachment 7)
- q) System Specification Outline (Attachment 11)
- r) Area Wage Determination (Attachment 13)
- s) GFI Documents: The GFI Documents provided in Section H-13 are listed in descending order of importance."



## Section D — PACKAGING AND MARKING

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### SECTION D – PACKAGING AND MARKING

#### D-1 5252.237-9203 MARKING OF REPORTS (NOV 1991)

(Applicable to CLINs 0002, 0101, 0104, 0151, 0203, 0251, 0301, 0351, 0373, 0401, 0451, 0474, 0501, 0503, 0551, 0601, 0603, 0653, 0701, 0703, 0751, 0801, 0803, 0851, 0901, 0903, 0951, 1001, 1003, 1051)

All reports shall prominently show on the cover of the report:

- (1) name and business address of the Contractor
- (2) contract number
- (3) contract dollar amount
- (4) whether the contract was competitively or non-competitively awarded
- (5) sponsor:

CAPT V. Carpenter  
Name

Space and Naval Warfare Information Technology Center  
Activity

Bldg. 2-3,  
2251 Lakeshore Drive  
New Orleans, LA 70145  
Office/Address

**Section E — INSPECTION AND ACCEPTANCE****SECTION E – INSPECTION AND ACCEPTANCE****E-1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://farsite.hill.af.mil/>  
<http://www.arnet.gov/far/>

**E-2 COST-REIMBURSEMENT RESEARCH AND DEVELOPMENT** (Applicable to CLINs 0100, 0103, 0150, 0200, 0201, 0202, 0250, 0350, )

**FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES**

<u>REFERENCE</u>	<u>TITLE</u>	<u>DATE</u>
52.246-8	Inspection of Research and Development-- Cost-Reimbursement	May 2001

**DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (48 CFR CHAPTER 2) CLAUSES**

<u>REFERENCE</u>	<u>TITLE</u>	<u>DATE</u>
252.246-7000	Material Inspection and Receiving Report	DEC 1991

**E-3 COST-REIMBURSEMENT SERVICE** (Applicable to CLINs 0300, 0350, 0372, 0400, 0450, 0471, 0472, 0473, 0500, 0550, 0600, 0650, 0700, 0750, 0800, 0850, 0900, 0950, 1000 and 1050)

**FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES**

<u>REFERENCE</u>	<u>TITLE</u>	<u>DATE</u>
52.246-5	Inspection of Services--Cost-Reimbursement	Apr 1984

**E-4 INSPECTION AND ACCEPTANCE—DESTINATION**

(Applicable to 0001, 0100, 0103, 0150, 0200, 0201, 0202, 0250, 0300, 0350, 0372, 0300, 0400, 0450, 0471, 0472, 0473, 0500, 0550, 0600, 0650, 0700, 0750, 0800, 0850, 0900, 0950, 1000 and 1050)

Inspection and acceptance of the supplies/services to be furnished hereunder shall be made at destination by the Contracting Officer's Representative or his or her duly authorized representative within (14) working days after successful completion of each line item.

FAR Clause 52.232-25, entitled Prompt Payment, is incorporated by reference in Section I of this contract. As authorized by FAR 32.905(a)(1)(ii) and DFARS 232.905(1), paragraph (a)(5)(i) of FAR clause 52.232-25 is modified to read (14) working days in lieu of seven calendar days.

**E-5 5252.246-9203 INSPECTION AND ACCEPTANCE OF CONTRACT DATA REQUIREMENTS (JAN 1989)**

(Applicable to CLINs 0002, 0101, 0104, 0151, 0203, 0251, 0301, 0351, 0373, 0401, 0451, 0474, 0501, 0503, 0551, 0601, 0603, 0651, 0701, 0703, 0751, 0801, 0803, 0851, 0901, 0903, 0951, 1001, 1003, and 1051)

Conformed through P00005

**Section E — INSPECTION AND ACCEPTANCE**

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Data items submitted under Letter of Transmittal shall be the responsibility of the initial addressee under Block 14 of DD Form 1423 as to review for adequacy and contract compliance. Where deficiencies or inadequacies are noted, the initial addressee should so advise the Contractor by letter within a reasonable period of time with copies to the ACO and the cognizant Technical Office indicated in Block 6 of DD Form 1423.

The initial addressee shall advise the Contractor with copy to ACO and the cognizant technical code in Block 6 of DD Form 1423 at such time as each data submission submitted by a Letter of Transmittal has been satisfactorily accomplished.

Inspection and acceptance of Data Items requiring shipment under DD Form 250 shall be made in accordance with Block 7 of DD Form 1423. Where acceptance is at destination and more than one addressee is shown in Block 14 of DD Form 1423, acceptance shall be the responsibility of the initial addressee.

Addressees other than the initial addressee, shall be considered informational.

**Section F — DELIVERIES OR PERFORMANCE****SECTION F – DELIVERIES OR PERFORMANCE****F-1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://farsite.hill.af.mil/>  
<http://www.arnet.gov/far/>

**F-2 FIXED-PRICE RESEARCH AND DEVELOPMENT****FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES**

(Applicable to CLINs 0001 and 0002)

<u>REFERENCE</u>	<u>TITLE</u>	<u>DATE</u>
52.242-15	Stop-Work Order	Aug 1989
52.211-17	Delivery of Excess Quantities	Sep 1989

**F-3 COST-REIMBURSEMENT**

(Applicable to all CLINs except for 0001, 0002, 0503, 0603, 0703, 0803, 0903 and 1003)

**FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES**

<u>REFERENCE</u>	<u>TITLE</u>	<u>DATE</u>
52.242-15	Stop-Work Order (Aug 1989)--Alternate I	Apr 1984
52.211-17	Delivery of Excess Quantities	Sep 1989

**F-4 52.211-8 TIME OF DELIVERY (JUL 1995) (ALTERNATE I) (APR 1984)**

(Applicable to CLINs 0001, 0100, 0200, 0201 and 0202)

- a. The Government requires delivery to be made according to the following schedule:

CLIN 0001REQUIRED DELIVERY DATES		
CONTRACT PHASE I		
ITEM NO.	QUANTITY	ON OR BEFORE
0001	1	
0001AA	1	20 December 2002
0001AB	1	20 December 2002
0001AC	1	20 December 2002
0001AD	1	20 December 2002
0001AE	1	10 January 2003

**CONTRACT PHASE II, CLINS 0100, 0200, 0201 AND 0202, REQUIRED DELIVERY DATES:**

The following Delivery Schedule is event driven, as follows:

**Section F — DELIVERIES OR PERFORMANCE**

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Successful completion of the following events must occur for CLIN 0100:**CLIN: DELIVERY DATES:**

0100, IUT for this CLIN:	Not later than 12 months of option exercise of CLIN 0100AA.
0100, DT&E for this CLIN:	End of DT&E is due not later than 6 months after satisfactory completion of IUT for 0100.
0100, OT&E for this SubCLIN:	End of OT&E is due not later than 5 months after satisfactory completion of DT&E for 0100.
0100, IOC for this CLIN:	Not later than 1 month after satisfactory completion of OT&E for CLIN 0100.
Additional SubCLINS to 0100	The contractor shall include the delivery schedule for modules included in Section B.

*EXAMPLE, assuming the CLIN 0100 is exercised JUNE 03:*

<i>0100, IUT for this CLIN:</i>	<i>EXERCISED JUNE 03, Delivery is due within 12 months. Thus the IUT delivery date is JUN 04.</i>
<i>0100, DT&amp;E for this CLIN:</i>	<i>IUT is satisfactorily completed JUNE 04; end of DT&amp;E is due within 6 months. Thus the delivery date for DT&amp;E is DEC 04.</i>
<i>0100, OT&amp;E for this CLIN:</i>	<i>DT&amp;E is satisfactorily completed DEC 04; end of OT&amp;E is due within 5 months of satisfactory DT&amp;E. Thus the delivery date for OT&amp;E is MAY 05.</i>
<i>0100, IOC for this CLIN:</i>	<i>OT&amp;E is satisfactorily completed May 05, thus IOC delivery is DUE JUNE 05.</i>

*Initial Operating Capability (IOC) will be achieved upon successful completion of OT&E and the Contracting Officer's acknowledgement that CLIN 0100 is suitable for operational use and approval for OT&E test sites to "Go Live," and these sites are operational. IOC for CLIN 0100 is further defined in Section C-3 herein*

Successful completion of the following events must occur for CLIN 0200:**CLIN: DELIVERY DATES**

0200, IUT for this CLIN:	Not later than 12 months of option exercise of CLIN 0200.
0200, DT&E for this CLIN:	End of DT&E is due not later than 6 months after satisfactory completion of IUT for CLIN 0200.
0200, OT&E for this CLIN:	End of OT&E is due not later than 5 months after satisfactory completion of DT&E for CLIN 0200.
0200, IOC for this CLIN:	Not later than 1 month from satisfactory completion of OT&E for CLIN 0200.

Successful completion of the following events must occur for CLIN 0201:**CLIN: DELIVERY DATES**

0201, IUT for this CLIN:	Not later than 12 months of option exercise of CLIN 0201.
0201, DT&E for this CLIN:	End of DT&E is due not later than 6 months after satisfactory completion of IUT for CLIN 0201.
0201, OT&E for this CLIN:	End of OT&E is due not later than 5 months after satisfactory completion of DT&E for CLIN 0201.
0201, IOC for this CLIN:	Not later than 1 month after satisfactory completion of OT&E for CLIN 0201.

Successful completion of the following events must occur for CLIN 0202:**CLIN: DELIVERY DATES**

0202, IUT for this CLIN:	Not later than 12 months of option exercise of CLIN 0202.
0202, DT&E for this CLIN:	End of DT&E is due not later than 6 months after satisfactory completion of IUT for CLIN 0202.

## Section F — DELIVERIES OR PERFORMANCE

0202, OT&E for this CLIN: End of OT&E is due not later than 5 months of satisfactory completion of DT&E for CLIN 0202.

0202, IOC for this CLIN: Not later than 1 month after satisfactory completion of OT&E for CLIN 0202.

(b) The delivery dates or specific periods above are based on the assumption that the Government will exercise CLIN 0100 by 30 June 2003. The parties agree that each delivery date in the delivery schedule above will be extended by the number of calendar days after the above date that Option 0100 is exercised. Therefore, the Offeror should compute the time available for performance beginning with the actual date of option exercise, rather than the date the written notice of option exercise is received from the Contracting Officer through the ordinary mails.

### F-5 PERIODS OF PERFORMANCE FOR EMERGENT REQUIREMENTS

(Applicable to CLINs 0150, 0250, 0350, 0450, 0550, 0650, 0750, 0850, 0950, 1050)

The period of performance will be within one year of the date of option exercise shown in H-10. Once exercised, the technical directions issued against the above CLINs shall not exceed two (2) years after option exercise. The period of performance for the options(s) to extend the term of contract shall only apply if the Government exercises the options in accordance with FAR 52.217-9.

### F-6 PERIOD OF PERFORMANCE

(Applicable to CLINs 0101, 0102, 0103, 0104, 0151, 0152, 0203, 0204, 0251, 0252, 0300, 0301, 0302, 0351, 0352, 0372, 0373, 0374, 0400, 0401, 0402, 0451, 0452, 0471, 0472, 0473, 0474, 0475, 0500, 0501, 0502, 0503, 0551, 0552, 0600, 0601, 0602, 0603, 0651, 0652, 0700, 0701, 0702, 0703, 0751, 0752, 0800, 0801, 0802, 0803, 0851, 0852, 0900, 0901, 0902, 0903, 0951, 0952, 1000, 1001, 1002, 1003, 1051, and 1052)

**CLINs 0101, 0104, 0151, 0203, 0251, 0301, 0351, 0374, 0401, 0451, 0474, 0501, 0503, 0551, 0601, 0603, 0651, 0701, 0703, 0751, 0801, 0803, 0851, 0901, 0903, 0951, 1001, 1003, 1051:** Data under these CLINs will be delivered in accordance with the DD-1449 Contract Data Requirements List attached to this contracts as Exhibits. The applicable exhibits are as follows:

CLIN	Exhibit
0101 and 0203	B
0104, 0151, 0251, 0351, 0451, 0551, 0651, 0751, 0851, 0951, 1051	C
0373 and 0474	D
0301, 0401, 0501, 0601, 0701, 0801, 0901, 1001	E
0503, 0603, 0703, 0803, 0903, 1003	F

**CLINs 0102, 0152, 0204, 0252, 0302, 0352, 0374, 0402, 0452, 0475, 0502, 0552, 0602, 0652, 0702, 0752, 0802, 0852, 0902, 0952, 1002, 1052:** The period of performance for travel CLINs will mirror the period of performance for their respective development, emergent requirement, deployment or sustainment CLIN.

**CLIN 0103** – The Contractor shall complete the effort required by the CLIN 0103 within one year of exercise of option.

**CLINs 0372, 0471, 0472, and 0473:** Deployment shall be completed within 12 months of exercise of option.

**CLINs 0300, 0400, 0500, 0600, 0700, 0800, 0900, 1000:** The period of performance for sustainment CLINs shall be one year from exercise of option.

**Section G — CONTRACT ADMINISTRATION DATA****SECTION G – CONTRACT ADMINISTRATION DATA****G-1 5252.232-9000 SUBMISSION OF INVOICES (FIXED PRICE) (JUL 1992)**

(Applicable to CLINs 0001, 0503, 0603, 0703, 0803, 0903, 1003)

(a) “Invoice” as used in this clause does not include Contractor’s requests for progress payments.

(b) The Contractor shall submit original invoices with 2 copies to the address identified in the solicitation/contract award form (SF 26-Block 10; SF 33-Block 23; SF 1447-Block 14, SF1449-Block 18a), unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order (DD 1155-Block 13 or SF 26-Block 10).

(c) The use of copies of the Material Inspection and Receiving Report (MIRR), DD Form 250, as an invoice is encouraged. DFARS Appendix F-306 provides instructions for such use. Copies of the MIRR used as an invoice are in addition to the standard distribution stated in DFARS F-401.

(d) In addition to the requirements of the Prompt Payment clause of this contract, the Contractor shall cite on each invoice the contract line item number (CLIN); the contract subline item number (SLIN), if applicable; the accounting classification reference number (ACRN) as identified on the financial accounting data sheets, and the payment terms.

(e) The Contractor shall prepare:

\_ a separate invoice for each activity designated to receive the supplies or services.

\_ a consolidated invoice covering all shipments delivered under an individual order.

\* either of the above.

(f) If acceptance is at origin, the Contractor shall submit the MIRR or other acceptance verification directly to the designated payment office. If acceptance is at destination, the consignee will forward acceptance verification to the designated payment office.

**G-2 5252.232-9001 SUBMISSION OF INVOICES (COST-REIMBURSEMENT, TIME-AND-MATERIALS, LABOR-HOUR, OR FIXED PRICE INCENTIVE) (JUL 1992)**

(Applicable to CLINs 0100, 0102, 0103, 0150, 0151, 0200, 0201, 0202, 0204, 0250, 0252, 0350, 0352, 0372, 0374, 0400, 0402, 0450, 0452, 0471, 0472, 0473, 0475, 0500, 0502, 0550, 0552, 0600, 0602, 0650, 0652, 0700, 0702, 0750, 0752, 0800, 0802, 0850, 0852, 0900, 0902, 0950, 0952, 1000, 1002, 1050, 1052)

(a) “Invoice” as used in this clause includes Contractor requests for interim payments using public vouchers (SF-1034) but does not include Contractor requests for progress payments under fixed price incentive contracts.

(b) The Contractor shall submit invoices and any necessary supporting documentation, in an original and 2 copies, to the contract auditor at the following address:

MID-Atlantic Alexandria Branch Office  
Defense Contract Audit Agency  
6800 Versar Center Suite 411  
Springfield, VA 22151-4177  
703-325-6854  
POC: Mr. Fred Jerf, Auditor 703-876-1390

*In addition, an information copy shall be submitted to:*

*SPAWAR ITC  
Attn: Moira Eiserloh,  
2251 Lakeshore Drive  
New Orleans, LA 70145*

Following verification, the contract auditor will forward the invoice to the designated payment office for payment in the amount determined to be owing, in accordance with the applicable payment (and fee) clause(s) of this contract.

**Section G — CONTRACT ADMINISTRATION DATA**

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(c) Invoices requesting interim payments shall be submitted no more than once every two weeks, unless another time period is specified in the Payments clause of this contract. For indefinite delivery type contracts, interim payment invoices shall be submitted no more than once every two weeks for each delivery order. There shall be a lapse of no more than 120 calendar days between performance and submission of an interim payment invoice.

(d) In addition to the information identified in the Prompt Payment clause herein, each invoice shall contain the following information, as applicable:

- (1) Contract line item number (CLIN)
- (2) Subline item number (SLIN)
- (3) Accounting Classification Reference Number (ACRN)
- (4) Payment terms
- (5) Procuring activity
- (6) Date supplies provided or services performed
- (7) Costs incurred and allowable under the contract
- (8) Vessel (e.g., ship, submarine or other craft) or system for which supply/services is provided

(e) A DD Form 250, "Material Inspection and Receiving Report",

\*\* is required with each invoice submittal.

\*\* is required only with the final invoice.

\*\* is not required.

(f) A Certificate of Performance

\*\* shall be provided with each invoice submittal.

\*\* is not required.

\*\* Check appropriate boxes from (e) and (f).

(g) The Contractor's final invoice shall be identified as such, and shall list all other invoices (if any) previously tendered under this contract.

(h) Costs of performance shall be segregated, accumulated and invoiced to the appropriate ACRN categories to the extent possible. When such segregation of costs by ACRN is not possible for invoices submitted with CLINS/SLINS with more than one ACRN, an allocation ratio shall be established in the same ratio as the obligations cited in the accounting data so that costs are allocated on a proportional basis.

**G-3 DESIGNATION OF CONTRACTING OFFICER'S REPRESENTATIVE**

(Applicable to ALL CLINs)

(a) The Contracting Officer hereby appoints the following individual as the primary Contracting Officer's Representative(s) (COR) for this contract/order:

Attn: Mr. Robert Castro  
 SPAWAR Information Technology Center  
 2251 Lakeshore Drive  
 New Orleans, LA 70145  
 504-697-3505

Note that there may be additional COR located at JR&IO that will assist the primary COR.

Ms. Laverne Comerie  
 Joint Requirements and Integration Office  
 4040 Fairfax Drive  
 Arlington, VA 22203  
 Conformed through P00005



## Section G — CONTRACT ADMINISTRATION DATA

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(b) It is emphasized that only the Contracting Officer has the authority to modify the terms of the contract. Therefore, in no event will any understanding agreement, modification, change order, or other matter deviating from the terms of the basic contract between the Contractor and any other person be effective or binding on the Government. When/If, in the opinion of the Contractor, an effort outside the existing scope of the contract is requested, the Contractor shall promptly notify the PCO in writing. No action shall be taken by the Contractor, unless the PCO or ACO has issued a contractual change.

(c) In the absence of the COR named above, all responsibilities and functions assigned to the COR shall be the responsibility of the Alternate COR acting in behalf of the COR. The Contracting Officer hereby appoints the following individual as the Alternate COR:

Attn: Mr. Allen Tidwell  
 SPAWAR Information Technology Center  
 2251 Lakeshore Drive  
 New Orleans, LA 70145  
 504-697-2506

### G-4 TYPE OF CONTRACT

This is a firm fixed price and cost reimbursable type contract. It includes firm fixed price, cost plus fixed fee and cost plus award fee provisions.

### G-5 PROGRESS AND STATUS REPORT, LEVEL OF EFFORT CONTRACTS

(Applicable to orders placed under CLINs 0150, 0250, 0350, 0450, 0550, 0650, 0750, 0850, 0950, and 1050)

(a) The Contractor shall prepare and submit a report as a supplement to each Standard Form 1034 presented for payment. The report shall cover the term for which the voucher is submitted and shall include the following information, when applicable:

#### (1) Identification Elements

- a. Title ("Level of Effort, Progress and Status Report")
- b. Contract, Invoice and Control Numbers
- c. Contractor's Name and Address
- d. Date of Report
- e. Reporting (invoicing) Period
- f. Name of Individual Preparing Report

#### (2) Description Elements

- a. Description of progress made during the reporting period, including problem areas encountered, and recommendations.
- b. Results obtained relating to previously identified problem areas.
- c. Deliverables completed and delivered.
- d. Extent of subcontracting and results achieved.
- e. Extent of travel, including identification of individuals performing the travel, the labor categories of such individuals, the total number of travelers, the period of travel by labor category, and the results of such travel.
- f. Labor hours expended for the period and cumulatively broken out to identify labor categories and specific individuals\* utilized and the amount of labor hours expended by each.
- g. Labor hours, by labor category and cumulatively, anticipated to be required for completion of the contract.
- h. Materials and other direct cost items expended in performance of the contract during the reporting period.
- i. Problem areas and recommendations involving impact on technical, cost and scheduling requirements.

**Section G — CONTRACT ADMINISTRATION DATA**

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(b) Each report shall address each element of paragraph (2) above. Where the element is not applicable, the report shall so state.

*(c) Distribution of the report shall, as a minimum, be one (1) copy to the Contract Administration Office and one (1) copy to the Contracting Officer's Representative. Additional requirements may be established in a DD Form 1423, Contract Data Requirements List.*

(d) Requiring activities will insure that this report and copies of the invoice are retained.

\*If, for reasons of company proprietary interest, it is desired to withhold names of individuals from the report, a unique identifier (such as payroll number) will be accepted; provided, however, that no more than one such identifier is utilized by any individual under this or any other contract effort, and that the names of the individuals so identified will be made available to the Contracting Officer upon request.

**G-6 DESIGNATION OF ADMINISTRATIVE CONTRACTING OFFICER (ACO)**

The Contracting Officer hereby appoints the following organization to act as the ACO for this contract:

PHASE I: See Block 6 of the SF 30.

PHASE II: (To be filled in upon exercise of option for Phase II.)

## Section H — SPECIAL CONTRACT REQUIREMENT

### SECTION H – SPECIAL CONTRACT REQUIREMENT

#### H-1 ORGANIZATIONAL CONFLICT OF INTEREST

(a) Definitions.

- (1) "Contractor" means the firm signing this contract.
- (2) "Affiliates" means employees, directors, partners, participants in joint ventures, parent corporation, parent corporation subsidiaries, any entity into or with which the Contractor may subsequently merge or affiliate, or any other successor or assignee of the prime Contractor. Affiliates also include subcontractors, subcontractors' employees, directors, partners, participants in joint ventures, parent corporation, parent corporation subsidiaries, any entity into or with which the SubContractor may subsequently merge or affiliate, and any other successor or assignee of the SubContractor .
- (3) "System Engineering" includes a combination of substantially all of the following activities: determining specifications, identifying and resolving interface problems, developing test requirements, evaluating test data, and supervising design, as set forth in FAR 9.505-1(b).
- (4) "Technical Direction" includes a combination of substantially all of the following activities: developing work statements, determining parameters, directing other Contractors' operations, and resolving technical controversies, as set forth in FAR 9.505-1(b).
- (5) "Specifications Preparation" includes preparing and furnishing complete specifications covering nondevelopmental, as set forth in FAR 9.505-2(a).
- (6) "Work Statement Preparation" includes preparing or assisting in preparing a work statement, as set forth in FAR 9.505-2(b).
- (7) "Evaluation Services" means a Contractor's evaluation of offers for products or services that will evaluate its own offers for products or services, or those of a competitor, without proper safeguards to ensure objectivity to protect the Government's interests, as set forth in FAR 9.505-3.
- (8) "Access to Proprietary Information" occurs when a Contractor requires proprietary information from others to perform a Government contract and can use the leverage of the contract to obtain it and thus gain an unfair competitive advantage, as set forth in FAR 9.505-4.
- (9) "Competitive Advantage" occurs when a Contractor has worked on DIMHRS (Pers/Pay)-related requirements development, system architecture or acquisition documents and has had access to nonpublic DIMHRS (Pers/Pay) information, which could provide a competitive advantage in the DIMHRS (Pers/Pay) Development and Implementation (D&I) competition and/or during contract performance.
- (10) "Bias" occurs when a Contractor has prepared DIMHRS (Pers/Pay) acquisition documents and specifications, which could lead to a Contractor being in a position to bias or skew the competition in favor of itself or another company.
- (11) "Impaired Objectivity" occurs when a Contractor becomes so entrenched in the DIMHRS (Pers/Pay) program that its work, pursuant to another contract, might entail evaluating itself on the DIMHRS (Pers/Pay) D&I solicitation or contract through an assessment of Contractor performance or evaluation of proposals.
- (12) "Interest" means direct or indirect business or financial interest.
- (13) An "Organizational Conflict of Interest" occurs where a Contractor or its Affiliates have any contract with, or any material or substantial Interest in, a firm(s) who supports the DIMHRS (Pers/Pay) program by i) providing System Engineering, Technical Direction, Specifications Preparation, Work Statement Preparation, or Evaluation Services or ii) have Access to Proprietary Information, a Competitive Advantage, Bias or Impaired Objectivity existing in the DIMHRS Program.

(b) Confirmation of No Actual or Potential Organizational Conflict of Interest. The Offeror shall confirm in Section K-19 that neither it nor its Affiliates have an actual or potential Organizational Conflict of Interest to the DIMHRS (Pers/Pay) solicitation and resulting contract. If the Government has previously determined that an actual or potential Organizational Conflict of Interest exists for an Offeror and/or an Offeror's affiliate, then the Offeror shall confirm that it understands that it may not be awarded a contract under this solicitation without an approved Organizational Conflict of Interest Mitigation Plan on file with the Contracting Officer. Offerors have the responsibility to submit to the Procuring Contracting Officer (PCO) a comprehensive Organizational Conflict of Interest (OCI) Mitigation Plan, to include the Offeror and/or its affiliates for approval by the Director for Contracts.

(c) Any communications between the Government and any subcontractor previous to or concurrent with the release of this solicitation shall not be construed to create privity of contract or any contractual relationship between the Government and any such subcontractor.

## Section H — SPECIAL CONTRACT REQUIREMENT

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(d) This clause shall not apply to work performed under Phase I to affect work to be performed under Phase II.

### H-2 ORGANIZATIONAL CONFLICT OF INTEREST RECUSAL

The Contractor agrees that pursuant to FAR 9.505-1, it shall submit a written statement to the Contracting Officer recusing itself from all current and future contracts and/or subcontracts for any and all work, tasks, services and support relating to the testing of the DIMHRS (Pers/Pay) System, including, but not limited to, developing test requirements and evaluating test data, and providing Systems Engineering and Technical Assistance (SETA), Independent Verification and Validation (IV&V) or In-Service Engineering Agent (ISEA) services for the DIMHRS (Pers/Pay) Program.

### H-3 5252.215-9210 INCORPORATION OF REPRESENTATIONS AND CERTIFICATIONS BY REFERENCE (NOV 1991)

(Applies to contract documentation)

All representations and certifications and other written statements made by the Contractor in response to Section K of the solicitation or at the request of the contracting officer which are incident to the award of the contract or modification of this contract, are hereby incorporated by reference with the same force and effect as if they were given in full text.

### H-4 5252.219-9201 SMALL BUSINESS SUBCONTRACTING PLAN (OCT 1995)

(Applies to contract documentation)

Pursuant to Public Law 95-507, the Contractor's Subcontracting Plan for small business, HUB Zone small business, small disadvantaged business, and women-owned small business concerns is hereby approved and attached hereto as Attachment 8 and is made a part of this contract.

### H-5 5252.232-9206 SEGREGATION OF COSTS (AUG 1992)

(Applicable to all Phase II CLINs)

The Contractor agrees to segregate costs incurred under this contract at the lowest level of performance, either task or subtask, rather than on a total contract basis, and to submit invoices reflecting costs incurred at that level. Invoices shall contain summaries of work charged during the period covered, as well as overall cumulative summaries by labor category for all work invoiced to date, by line item, task or subtask.

Where multiple lines of accounting are present, the ACRN preceding the accounting citation will be found in Section B and/or Section G of the contract or in the task or delivery order that authorizes work. Payment of Contractor invoices shall be accomplished only by charging the ACRN that corresponds to the work invoiced. One (1) copy of each invoice will be provided to the COR, designated herein, and the PCO at the time of submission to DCAA.

### H-6 5252.243-9400 AUTHORIZED CHANGES ONLY BY THE CONTRACTING OFFICER (JAN 1992)

(Applies to entire contract, documentation and ALL CLINs)

(a) Except as specified in paragraph (b) below, no order, statement, or conduct of Government personnel who visit the Contractor's facilities or in any other manner communicates with Contractor personnel during the performance of this contract shall constitute a change under the Changes clause of this contract.

(b) The Contractor shall not comply with any order, direction or request of Government personnel unless it is issued in writing and signed by the Contracting Officer, or is pursuant to specific authority otherwise included as a part of this contract.

(c) The Contracting Officer is the only person authorized to approve changes in any of the requirements of this contract and notwithstanding provisions contained elsewhere in this contract, the said authority remains solely the

**Section H — SPECIAL CONTRACT REQUIREMENT**

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Contracting Officer's. In the event the Contractor effects any change at the direction of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in charges incurred as a result thereof. The address and telephone number of the Contracting Officer is:

NAME: Ellen H. Polen, Contracting Officer

ADDRESS: Space and Naval Warfare Systems Command  
Code 02-E, OT-4, Room 1019  
4301 Pacific Highway  
San Diego, Ca 92110-3127

TELEPHONE: 619-524-7388

**H-7 ALTERNATIVES AND UPDATES TO SPECIFICATIONS AND STANDARDS**

(a) The Department of Defense is--

- (1) committed to minimizing the use of military and federal specifications and standards; and
- (2) seeking to use non-Government specifications and standards to the maximum extent practicable to satisfy its requirements.

(b) The Contractor--

- (1) is encouraged to identify and propose alternatives to specifications and standards cited in this contract;
- (2) may submit to the Contracting Officer a proposal addressing alternatives to contractually mandated military, federal, or commercial specifications and standards, consisting of the following:
  - (i) a copy of the proposed alternatives;
  - (ii) a comparison of the proposed alternatives to the specifications or standards cited in the contract; and
  - (iii) an analysis supporting the feasibility and cost-effectiveness of the proposed alternatives.

(c) If the Contractor has a contract, or multiple DOD contracts, that incorporate outdated or different versions of military, federal, or commercial specifications or standards, the Contractor may request that all of its contracts be updated to the latest version of the applicable specifications or standards. Updating must not affect the form, fit, or function of any deliverable item, and must demonstrate a benefit to the Government. The Contractor may submit updating requests to the Contracting Officer through the cognizant contract administration office. The Government will, to the extent practicable, evaluate the acceptability of any proposed alternative. If a proposed alternative is not considered for the instant procurement, it will be considered for future procurement. If the Contracting Officer does not accept the proposed alternative, the Contractor agrees to perform the contract in accordance with the specifications and standards cited in the contract.

**H-8 CONTRACTOR PICTURE BADGE**

(a) A Contractor picture badge may be issued to Contractor personnel by the SPAWAR ITC (504) 697-1500, upon receipt of a valid visit request from the Contractor and a picture badge request from the COR. A list of personnel requiring picture badges must be provided to the COR to verify that the contract or delivery/task order authorizes performance at SPAWAR ITC prior to completion of the picture badge request.

(b) An automobile decal is not required at the SPAWAR ITC, New Orleans, LA.

(c) The Contractor assumes full responsibility for the proper use of the identification badge and automobile decal, and shall be responsible for the return of the badge and/or destruction of the automobile decal upon termination of personnel or expiration or completion of the contract.

(d) At the completion of the contract, the Contractor shall forward to Security Office at the SPAWAR ITC a list of all unreturned badges with a written explanation of any missing badges.

**Section H — SPECIAL CONTRACT REQUIREMENT****H-9 OPTION EXERCISE FOR CLINS 0100, 0200, 0201, AND 0202**

CLINS have been structured for modular contracting with incremental development. Interim users testing (IUT) will serve as the exit criteria for exercising development options (CLINS). Accordingly, after CLIN 0100 is exercised and IUT is accepted, the Government may begin to exercise subsequent CLINS 0200, 0201, and 0202.

Therefore at successful completion of System IUT for CLIN 0100, the Government may exercise option CLINs 0200, 0201, and/or 0202.

**H-10 52.217-6 OPTION FOR INCREASED QUANTITY (MAR 1989) (VARIATION)**

Applicable to CLINs 0101, 0102, 0103, 0104, 0150, 0151, 0152, 0203, 0204, 0250, 0251, 0252, 0300, 0301, 0302, 0350, 0351, 0352, 0372, 0373, 0374, 0400, 0401, 0402, 0450, 0451, 0452, 0471, 0472, 0473, 0474, 0475, 0500, 0501, 0502, 0503, 0550, 0551, 0552, 0600, 0601, 0602, 0603, 0650, 0651, 0652, 0700, 0701, 0702, 0703, 0750, 0751, 0752, 0800, 0801, 0802, 0803, 0850, 0851, 0852, 0900, 0901, 0902, 0903, 0950, 0951, 0952, 1000, 1001, 1002, 1003, 1050, 1051, and 1052,

The Government may, at any time on or before the option exercise date set forth below, require the successful Offeror/Contractor to perform any part of or all of the work required for item(s) listed below. Such item(s) shall conform to the requirements of this contract to the extent they are exercised. This option contemplates multiple exercises and any partial exercise of this option shall not cancel the remainder of the partially exercised option or options for the items left unexercised. This option shall be exercised, if at all, by written, telegraphic or electronic notice, signed by the Contracting Officer, and sent within the option period specified below:

<u>ITEM</u>	<u>OPTION EXERCISE DATE</u>
0100	Upon Contract Award of Option Exercise
0200	Within 12 months of satisfactory completion of IUT for CLIN 0100
0201	Within 24 months of satisfactory completion of IUT for CLIN 0100
0202	Within 24 months of satisfactory completion of IUT for CLIN 0100
0203	Awarded concurrently with CLIN 0200
0204	Awarded concurrently with CLIN 0200
0205	Concurrently with CLIN 0201
0206	Concurrently with CLIN 0202
0250	On or before 31 March 2004
0251	On or before 31 March 2004
0252	On or before 31 March 2004
0300	On or before 31 March 2005
0301	On or before 31 March 2005
0302	On or before 31 March 2005
0350	On or before 31 March 2005
0351	On or before 31 March 2005
0352	On or before 31 March 2005
0372	Within 90 days of successful completion of CLIN 0100 Operational Test
0373	Within 90 days of successful completion of CLIN 0100 Operational Test
0374	Within 90 days of successful completion of CLIN 0100 Operational Test
0400	On or before 31 March 2006
0401	On or before 31 March 2006
0402	On or before 31 March 2006
0450	On or before 31 March 2006
0451	On or before 31 March 2006
0452	On or before 31 March 2006
0471	Within 90 days of successful completion of CLIN 0200 Operational Test

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0472	Within 90 days of successful completion of CLIN 0201 Operational Test
0473	Within 90 days of successful completion of CLIN 0202 Operational Test
0474	Concurrently with CLIN 0471
0475	Concurrently with CLIN 0471
0476	Concurrently with CLIN 0472
0477	Concurrently with CLIN 0473
0500	On or before 31 March 2007
0501	On or before 31 March 2007
0502	On or before 31 March 2007
0503	On or before 31 March 2007
0550	On or before 31 March 2007
0551	On or before 31 March 2007
0552	On or before 31 March 2007
0600	On or before 31 March 2008
0601	On or before 31 March 2008
0602	On or before 31 March 2008
0603	On or before 31 March 2008
0650	On or before 31 March 2008
0651	On or before 31 March 2008
0652	On or before 31 March 2008
0700	On or before 31 March 2009
0701	On or before 31 March 2009
0702	On or before 31 March 2009
0703	On or before 31 March 2009
0750	On or before 31 March 2009
0751	On or before 31 March 2009
0752	On or before 31 March 2009
0800	On or before 31 March 2010
0801	On or before 31 March 2010
0802	On or before 31 March 2010
0803	On or before 31 March 2010
0850	On or before 31 March 2010
0851	On or before 31 March 2010
0852	On or before 31 March 2010
0900	On or before 31 March 2011
0901	On or before 31 March 2011
0902	On or before 31 March 2011
0903	On or before 31 March 2011
0950	On or before 31 March 2011
0951	On or before 31 March 2011
0952	On or before 31 March 2011
1000	On or before 31 March 2012
1001	On or before 31 March 2012
1002	On or before 31 March 2012
1003	On or before 31 March 2012
1050	On or before 31 March 2012
1051	On or before 31 March 2012
1052	On or before 31 March 2012

(b) The Government reserves the right to exercise a particular option more than once (for example, the Government may initially exercise part of the quantities in Option CLIN 0150, 0250, 0350, 0450, 0550, 0650, 0750, 0850, 0950, Conformed through P00005

## Section H — SPECIAL CONTRACT REQUIREMENT

and 1050 and then exercise the remaining quantities in the same Option CLINs referenced in this paragraph at a later date).

### H-11 EMPLOYMENT OF NAVY PERSONNEL RESTRICTED

In performing this contract, the Contractor will not use as a consultant or employ (on either a full or part-time basis) any active duty Navy personnel (civilian or military) without the prior approval of the Contracting Officer. Such approval may be given only in circumstances where it is clear that no law and no DOD or Navy instructions, regulations, or policies might possibly be contravened and no appearance of a conflict of interest will result.

### H-12 INFORMATION TECHNOLOGY PERSONNEL SECURITY PROGRAM REQUIREMENTS

#### (a) Definitions.

“Information Technology” means an assembly of computer hardware, software, and firmware configured for the purpose of automating the functions of calculating, computing, sequencing, storing, retrieving, displaying, communicating, or otherwise manipulating data, information and textual material.

“Immigrant Alien” is defined as a foreign national lawfully admitted to the United States for permanent residence <http://neds.nebt.daps.mil/551030.htm>.

“Limited Privileged Access” is defined as privileged access with limited scope, i.e., and an authority to change user access to data for a single IT or physically isolated network.

“Non-privileged Access” is defined as user level access, i.e., normal access given to a typical user. Generally, all access to system resources is controlled in a way that does not permit those controls/rules to be changed or bypassed.

“Privacy Data” is defined as personal and private information as defined in the Privacy Act of 1974 or the Freedom of Information Act (FOIA).

“Privileged Access” is defined as authorized access that provides capability to alter the properties, behavior or control of the information system/network. It includes, but is not limited to, any of the following types of access:

- (1) “Super user,” “root” or equivalent access, such as access to the control functions of the information system/network, administration of user accounts, etc.
- (2) Access to change control parameters (e.g., routing tables, path priorities, addresses) of routers, multiplexers and other key information system/network equipment or software.
- (3) Ability and authority to control and change program files, and other users’ access to data.
- (4) Direct access to operating system level functions (also called unmediated access) which would permit system controls to be bypassed or changed.
- (5) Access and authority for installing, configuring, monitoring or troubleshooting the security monitoring functions of information systems/networks (e.g., network/system analyzers; intrusion detection software; firewalls).

(b) The U.S. Government conducts trustworthiness investigations of personnel who require access to unclassified information and who perform Information Technology (IT) duties. Requirements for these investigations are outlined in Appendix K of DoD 5200.2-R “Personnel Security Program”, available for ordering at <http://www.ntis.gov/product/dod-directives.htm>. The Contractor shall include all of these requirements in any subcontracts involving IT support.

(c) Contractor and SubContractor personnel performing work on unclassified IT shall be U.S. citizens. According to DoD 5200.28 (Security Requirements for Automated Information Systems), paragraph 4.10 which states “Access by foreign nationals to a U.S. Government-owned or U.S. Government-managed AIS (IT) may be authorized only by the DoD Component Head, and shall be consistent with the DoD, Department of State, and the Director of Central Intelligence policies.” SECNAV approval is required for all non-U.S. citizens. All requests requiring SECNAV approval shall be submitted directly to D0351.

#### (1) IT-I Position (High Risk)

The incumbent has privileged access to networks and information systems, or to system resources; duties are broad in scope and authority and critical to the DoD or DoD Component mission. These duties may include the responsibility for the planning, direction, and implementation of a computer security program; direction, planning, and design of a computer system, including the hardware and software; or can access a system during the operation or maintenance in such a way, and with relatively high risk for causing grave damage or realizing significant personal gain. The potential exists for exceptionally serious adverse impact



## Section H — SPECIAL CONTRACT REQUIREMENT

on DoD or DoD Component information or operations. Personnel whose duties meet the criteria for IT-I Position designation require a favorably adjudicated Single Scope Background Investigation (SSBI) or SSBI Periodic Reinvestigation (SSBI-PR), the updated standard for the BI listed in DoD 5200.2-R. The SSBI or SSBI-PR shall be updated every 5 years.

### (2) IT-II Position (Moderate Risk)

The incumbent has privileged access but with limited scope; duties are of considerable importance to the DoD or DoD Component mission, and the incumbent is under the supervision of an individual in a higher trust position (IT-I). These duties may include the direction, planning, design, operation or maintenance of a computer system. These positions may have ability to impact a limited set of explicitly defined privileged functions, such as privileged access confined to large portions of an information system or local network physically isolated from other DoD or publicly accessible networks. The potential exists for moderate to serious adverse impact on DoD or DoD Component information or operations. Personnel whose duties meet the criteria for an IT-II Position require a favorably adjudicated National Agency Check (NAC), instead of the DNACI/NACI listed in DoD 5200.2-R.

### (3) IT-III Position (Low Risk)

All other positions involving computer activities. Incumbent in this position has non-privileged access to one or more DoD information systems/application or database to which they are authorized access. The incumbent can receive, enter and/or modify information in an IS/application or database to which they are authorized access. Users have access only to that data/information and those applications/networks to which the incumbent is explicitly authorized and cannot alter those or other users' authorizations. Positive security measures and configuration management ensures the incumbent can assume only explicitly authorized roles and privileges. Personnel whose duties meet the criteria for an IT-III Position designation require a favorably adjudicated NAC.

(d) (1) The Contracting Officer (KO), Contracting Officer's Representative (COR), or Technical Representative (TR), shall determine if they or the Contractor shall assign the IT Position category to Contractor personnel and inform the Contractor of their determination. If it is decided the Contractor shall make the assignment, the KO, COR, or TR must concur with the designation.

*(i) If the KO, COR, or TR decides that the Contractor will make the initial determination, the KO, COR, or TR must concur with the Contractor's decision prior to the company's submission of any investigation. This shall be accomplished by the Contractor submitting a listing of personnel, by job title, for the KO, COR, or TR to review and change as necessary. The KO, COR, or TR will initial or sign the listing to signify their concurrence and return the listing to the Contractor. Use of e-mail may be used at the discretion of the KO, COR, or TR.*

*(ii) If the KO, COR, or TR decides that they will make the determination, they shall request a listing of personnel, by job title, from the Contractor. The KO, COR, or TR will annotate the list with the appropriate IT Position Categories and return it to the Contractor. The KO, COR, or TR will initial or sign the listing to signify their concurrence. Use of e-mail may be used at the discretion of the KO, COR, or TR.*

(2) Using the approved list, the Contractor shall have their personnel complete the SF85P, as required, for the appropriate investigation and submission.

(3) The Contractor will review the SF85P to ensure completeness prior to submission to Space and Naval Warfare (SPAWAR) Systems Center. All submissions to SPAWAR Systems Center San Diego must be **hard copy** only. The investigative package must also include the Fingerprint Card, SF87, and a copy of the KO, COR, or TR concurrence must also be submitted with each SF85P.

*(i) If the Contractor's review determines the employee's SF85P is complete and, based on SECNAVINST 5510.30A Appendix G *Adjudication Guidelines*, no adverse information is found the investigative package shall be submitted to Commanding Officer, Space and Naval Warfare (SPAWAR) Systems Center, ATTN Code D0351 SF85P, 53560 Hull Street, San Diego, CA 92152-5001.*

## Section H — SPECIAL CONTRACT REQUIREMENT

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(ii) If the Contractor's review determines the presence of adverse information, based on SECNAVINST 5510.30A Appendix G *Adjudication Guidelines*, the company may still submit the investigative package to SPAWAR Systems Center. At this time the Contractor may also submit a "Request for Waiver" requesting the Contractor's employee be allowed to begin work on IT prior to the completion of the investigation.

(iii) If the Contractor's review determines the presence of adverse information, based on SECNAVINST 5510.30A Appendix G *Adjudication Guidelines*, the company may choose to replace the employee and begin the process again.

(iv) A written approval to begin work on IT will be sent by SPAWAR Systems Center, Code D0351 to the Contractor. A contract employee may not begin work on IT until this written approval has been received by their company.

(4) Following submission of the proper investigation to SPAWAR Systems Center the company may now submit a visit request to either SPAWAR or SPAWAR Systems Center San Diego and must include the employee's IT Position category.

(5) The investigative results will be adjudicated by SPAWAR Systems Center who will make the trustworthiness determination.

(e) The failure of a Contractor or SubContractor employee to successfully complete a trustworthiness investigation shall not be grounds for the Contractor to submit any claim for equitable adjustment under the contract.

(f) If an employee has a personnel security investigation at the appropriate level without a break in service of more than 24 months, with favorable adjudication, and in the case of IT Position Category I is less than 5 years old, the Contractor does **not** need to submit an additional investigation for the trustworthiness determination. If required, the Contractor will ensure personnel designated IT Position Category I, II, or III complete the SF85P and provide it to their company's designated reviewer to ensure completeness. The reviewer may use the criteria outlined in Appendix G of SECNAVINST 5510.30A "Department of the Navy Personnel Security Program (PSP) Regulation", available at <http://nedb.nebt.daps.mil/551030.htm> to determine if adverse information is present. Investigative packages shall be submitted for all personnel in IT Position Category I, II, or III, and written authorization to begin work must be received from SPAWAR Systems Center San Diego Code D0351 prior to the employee being granted access to the IT. For additional assistance please visit the SPAWAR Systems Center San Diego, Code D0351 web site at <https://www.spawar.navy.mil/sandiego/security/guidelines.doc>.

(g) Specific guidelines for obtaining software and submission of Trustworthiness Investigations using the SF85P are available at the [Defense Security Service \(DSS\) Internet Web Site](http://www.dss.mil) at <http://www.dss.mil>. If the Contractor is not familiar with the EPSQ SF85P, the Contractor may send email to [SF85P@spawar.navy.mil](mailto:SF85P@spawar.navy.mil) for assistance.

(h) Investigation determinations shall be returned to SPAWAR Systems Center San Diego, Code D0351, 53560 Hull Street, San Diego, CA 92152-5001. The Contractor will promptly replace any individual for whom SPAWAR Systems Center San Diego has communicated a negative trustworthiness determination.

(i) The Contractor will include the IT Position Category for each person so designated on Visit Authorization Letters (VAL) once the KO, COR, or TR has approved the Category. VALs will be sent to the following address: Commanding Officer, SPAWARSYSCEN San Diego, Attn: Code D0352, 49275 Electron Drive, San Diego, CA 92152-5435.

### H-13 GOVERNMENT PROPERTY FOR THE PERFORMANCE OF THIS CONTRACT

(Applicable to all CLINs. Note that paragraph (c) below does not apply to CLIN 0001 or 0002)

(a) Definition. Government production and research property, as the term is used herein, shall consist of special tooling to which the Government has title or the right to acquire title, Government-owned special test equipment and Government-owned facilities as each term is defined respectively in FAR 45.101 and 45.301.

(b) Authorization to Use Government Production and Research Property, Material, and Agency Peculiar Property Currently Covered by Government Contracts Without Rental Charge in Performing this Contract. Government Conformed through P00005

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production and research property, material, and agency peculiar property covered by the following listed Government contracts on the effective date of this contract is hereby authorized for use on a rent-free, non-interference basis in the performance of this contract and sub-contracts of any tier issued hereunder:

- Enterprise License under Contract N00024-01-C-6110

(c) Authorization to Use Government Production and Research Property and Agency Peculiar Property to be Provided Under this Contract Without Rental Charge in Performing this Contract. (This paragraph does not cover such property in possession of the contractor or his subcontractors on the date of award of this contract.)

(1) Subject to the provisions of the Government Property clause of this contract, the Government hereby agrees to provide hereunder the Government production and research property and agency peculiar property identified in (c)(2) through (c)(5) to the contractor. The contractor is hereby authorized to use, on a rent-free basis, said property in the performance of this contract.

(2) Special Tooling (as defined in FAR 45.101):

None

(3) Special Test Equipment (as defined in FAR 45.101):

None

(4) Facilities (as defined in FAR 45.301 and DFARS 245.301):

- Upon the Contractor’s written request to the Procuring Contracting Officer via the cognizant Contract Administration Office, the Government will furnish the following for use in the performance of this contract:

Provide a maximum of 60,000 square feet during peak staffing for developer facilities at no cost at the SITC in New Orleans, LA  
SPAWAR ITC  
2251 Lakeshore Drive  
New Orleans, LA 70145-0001

- General-purpose office equipment including desktop computers that contain the standard SPAWAR Information Technology Center Office suite, printers, copy machines, fax machines, utilities, and telephones, services within the office space will be provided by the Government. The facilities provided will be only for the work directly in support of the scope of the resulting Developer and Implementer Contract. The Offeror shall provide the Government as part of their proposal, a man-loading estimate by month, which provides the number of computer stations to be required by the Offeror throughout Phase II of the contract. Upon award, Contractors shall provide an updated estimate as part of their Phase II proposal.
- A physically secure lab environment is constructed to include adequate support infrastructure for an IT lab environment. The Government will NOT provide development equipment.

(These facilities shall, when provided, become accountable under and be subject to that facilities contract, if any, in effect between the Government and the contractor or any of his subcontractors at the plant where they are to be located during performance of this contract.)

(5) Agency Peculiar Property (as defined in FAR 45.301 and DFARS 245.301):

- “The Government is providing the following GFI. These are listed in descending order of importance:

	<u>GFI</u>	<u>DATE</u>
i.	Bus Areas to FPA Mapping	Undated
ii.	DIMHRS Function Point Analysis	12 Dec 2001
iii.	GCSS CINC Requirements	10 Jun 1999

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iv.	CINC 129 (Category One) Spreadsheet	29 Nov 1999
v.	DIMHRS Human Resources Management System PeopleSoft Supportability: Initial Analysis Report	17 Aug 2001
vi.	PeopleSoft Global Analysis	22 Apr 2002
vii.	Test and Evaluation Master Plan (TEMP)	14 Aug 2002
viii.	C4ISP	01 Aug 2002
ix.	High Level Fit/Gap Analysis*	03 Dec 2001
x.	Analysis of Alternatives (AOA)	Oct 2002
xi.	Economic Analysis (EA)	13 Sep 2002
xii.	Cost Analysis Requirements Description (CARD) Alternative 1 (Buy)	20 Aug 2002
*(aka Software Analysis Team (SWAT) Report)		

The contractor shall not rely on any other documents or information it may have obtained to perform Phase II. Only the documents listed herein shall apply in the order of precedence presented in this contract. Reliance on any other documents or information may negatively impact the evaluation of the contractor's proposal.

- Contractors may request other GFP from the Government; however, all requests are subject to the availability and approval of the Government. Contractors shall provide, at a minimum, the following information for each GFP item requested:

Category	Current Location or Owner	Manufacturer/Item Number	Size (sq. ft, etc)	Other Information	Value (including transport costs)
Select	Insert state, town, etc. for property or command that currently owns	Insert any identifying info	Provide size of lot, etc	Any other identifying information	Insert cost Offeror assumed for purposes of pricing, including any transportation costs

The following terms and conditions shall be applicable to the agency peculiar property, if any, identified above:

(A) each item of agency peculiar property shall be identified by its Federal Item Identification Number and Government Nomenclature;

(B) the agency peculiar property shall be accounted for under this contract; and

(C) upon completion or termination of this contract, the contractor shall request and comply with disposition instructions from the Contracting Officer.

(d) Government Material and Agency Peculiar Property to be Furnished Under this Contract. (This paragraph covers Government-owned material and agency peculiar property furnished to the contractor for (A) consumption in the course of manufacture, testing, development, etc., or (B) incorporation in items to be delivered under this contract, e.g., Master Government-Furnished Equipment List (MGFEL).)

(1) Subject to the provisions of the Government Property clause of this contract, the Government hereby agrees to provide hereunder the Government-owned agency peculiar property and material identified in (d)(2) and (d)(3) to the Contractor. The Contractor is hereby authorized as appropriate, (A) to consume the material identified in (d)(2) and the agency peculiar property identified in (d)(3) in performing this contract or (B) to incorporate such material and agency peculiar property in articles under this contract.

(2) Material (as defined in FAR 45.301):

None

Requisitioning Documentation: Contractor access to the federal supply system is permitted only when the material as well as the quantity is identified in the above paragraph. The contractor shall prepare requisitioning documentation for the above material in accordance with the "Military Standard Requisitioning and Issue Procedures (MILSTRIP) for Defense Contractors", DoD 4000.25-1-M, Chapter 11 and NAVSUP Publication 437 as revised by DoD AMCL 1 A guidance. The contractor must submit all requisitions for Government Furnished Material (GFM) from the supply system to the Material Control Activity (MCA) specified in Section G of this

**Section H — SPECIAL CONTRACT REQUIREMENT**

contract. Upon completion or termination of this contract, the contractor shall request and comply with disposition instructions from the Contracting Officer.

(3) Agency Peculiar Property (as defined in FAR 45.301 and DFARS 245.301):

None

The terms and conditions made applicable to agency peculiar property in (c)(5) shall be applicable to the agency peculiar property, if any, identified above.

(e) Government Installations to be Made Available Under this Contract. (This paragraph covers Government installations, or portions thereof, to be made available to a contractor but not transferred to his possession - for example, test centers, wind tunnels, aircraft fields, as well as buildings, furniture or equipment. Instructions may be needed to establish ground rules or plans governing availability of installations.)

(1) The Government hereby agrees to make available hereunder on a rent-free, non-interference basis for performing this contract the Government installations, or portions thereof, identified in (e)(2) in accordance with standard operating procedures and priorities unless otherwise specified in the Schedule. Although not "Government-furnished property" under this contract, the provisions of paragraph (a) of the Government Property clause of this contract shall apply to these installations.

(2) Installations.

None

(f) Bailed Property to be Used Under this Contract. (This paragraph will not obviate the need to set forth in this contract the terms of the project agreement as required by the pertinent bailment agreement.)

(1) The bailed property identified in (f)(2) is hereby authorized for use on a rent-free basis in the performance of this contract. Although not "Government-furnished property" under this contract, the provisions of paragraph (a) of the Government Property clause of this contract shall apply to this bailed property.

		Bailment Agreement Under which Accountable
(2) Description	Serial Number	

None

(3) The bailed property identified in (f)(2) is furnished "as is" and the Government makes no representations or warranties with respect to such property, including the suitability of such property for the intended use.

(g) This clause shall in no event be construed to authorize rent-free use of any property identified above for any effort other than that called for under this contract.

(h) Installation Cost. The price of this contract constitutes full compensation to the contractor for all costs to be incurred under this contract for the adaptation and installation of the property identified in this clause.

(i) Installation. Government production and research property, other than foundations and similar improvements necessary for the installation of special tooling, special test equipment, and plant equipment, as defined in FAR 45.101, shall not be installed or constructed on land nor owned by the Government in such fashion as to be non-severable unless authority is granted by the Contracting Officer cognizant of the contract under which the property is provided in accordance with FAR 45.309.

(j) Limitation: This clause does not authorize the contractor to acquire any property for the Government.

(k) The contractor represents that the price and delivery schedule of this contract have been established in reliance on the Government granting the authorization in (b), (c), (d), (e) and (f), and that no charge has been included in this contract for use of the property as authorized above.

(l) Whenever the Contracting Officer authorizes or makes available the use, on a rent-free basis, of additional Government production and research property or other Government property in the performance of this contract or subcontracts of any tier under this contract, the contract will be equitably adjusted in accordance with the procedures provided for in the Changes clause.

(m) If the Government production and research property or other Government property authorized or made available above is decreased by the Government, the contractor will be entitled to an equitable adjustment to the terms of this contract in accordance with the procedures provided for in the Changes clause hereof, as a result of such decrease; provided, however, that if any such decrease is due to the failure of the contractor or his subcontractors of any tier under this contract to fulfill their respective obligations either with respect to the

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Government property or with respect to the work such property is to be used to perform, the Contracting Officer will take such circumstances into account in establishing the equitable adjustment.

(n) The contractor is responsible for scheduling the use of all property covered by this clause and the Government shall not be responsible for conflicts, delays, or disruptions to any work performed by the contractor due to use of any or all such property, either under this contract or any other contracts under which use of such property is authorized.

### **H-14 TECHNICAL DIRECTION (COST TYPE CONTRACTS) (APR 92) (SPAWAR 5252.242-9202)**

a. Technical Direction may be provided to the Contractor from time to time by the Contracting Officer or Contracting Officer's Representative, if authorized, during the term (term is defined as the period of performance for the basic contract and any options that may be exercised) of this contract. Technical Direction will provide specific information relating to the tasks contained in the Statement of Work and will be provided to the Contractor in writing. Any Technical Direction issued hereunder will be subject to the terms and conditions of the contract. The contract shall control in the event of conflict with any Technical Direction issued hereunder, and cannot be modified by any Technical Direction.

b. As stated, Technical Direction shall be issued in writing and shall include, but not be limited to, the following information.

- (1) date of issuance of Technical Direction;
- (2) applicable contract number;
- (3) Technical Direction identification number;
- (4) description of Technical Direction;
- (5) estimated cost;
- (6) estimated level of effort by labor category; and
- (7) signature of the PCO/COR.

c. If the Contractor does not agree with the estimated cost specified on the technical direction, or considers the technical direction to be outside the scope of the contract, it shall notify the PCO or COR immediately and, in the case of the estimated cost, arrive at a general agreement to the cost of the task. In the case of the direction requiring work that is out of the scope of the contract, the Contractor shall not proceed with the effort unless and until the PCO executes a contract modification to include the change in scope.

### **H-15 PLACE OF PERFORMANCE**

(Applicable to CLINs 0100, 0150, 0200, 0201, 0202, 0250, 0350, 0450, 0550, 0650, 0750, 0850, 0950 and 1050 only)

Performance of development effort (CLINs 0100, 0200, 0201 and 0202) and emergent requirement effort (CLINs 0150, 0250, 0350, 0450, 0550, 0650, 0750, 0850, 0950 and 1050) under this contract shall be performed at the SITC in New Orleans, Louisiana. Note that under Clause H-13, the Government is making facilities available at the SITC in New Orleans, LA.

### **H-16 REIMBURSEMENT OF TRAVEL COSTS (SEP 2001)**

(a) General

(1) The costs for travel, subsistence, and lodging shall be reimbursed to the Contractor only to the extent that it is necessary and authorized for performance of the work under this contract. The costs for travel, subsistence, and lodging shall be reimbursed to the Contractor in accordance with the Federal Acquisition Regulation (FAR) 31.205-46, which is incorporated by reference into this contract. As specified in FAR 31.205-46(a) (2), reimbursement for the costs incurred for lodging, meals and incidental expenses (as defined in the travel regulations cited subparagraphs (b)(1)(i) through (b)(1)(iii) below) shall be considered to be reasonable and allowable only to the extent that they do not exceed on a daily basis the maximum per diem rates in effect at the time of travel as set forth in the following:

(i) Federal Travel Regulation\* prescribed by the General Services Administration for travel in the contiguous 48 United States;

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(ii) Joint Travel Regulation, Volume 2, DoD Civilian Personnel, Appendix A, prescribed by the Department of Defense for travel in Alaska, Hawaii, The Commonwealth of Puerto Rico, and the territories and possessions of the United States; or

(iii) Standardized Regulations, (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances in Foreign Areas" prescribed by the Department of State, for travel in areas not covered in the travel regulations cited in subparagraphs (b)(1)(i) and (b)(1)(ii) above.

\* Federal Travel Regulation (FTR) Amendment 75 was published in the Federal Register as a Final Rule on December 2, 1998. This final rule changed how the FTR maximum per diem rate limitations are computed, including extracting lodging taxes from the per diem rates and allowing payment of lodging taxes as a miscellaneous expense instead. Some Contractors may encounter a significant administrative burden and incur substantial costs in modifying their systems to comply with this Final Rule. Therefore, Contractors may choose to satisfy the limitation on allowable travel costs by continuing to use the FTR maximum per diem rates and the definitions of lodging, meals, and incidental expenses in effect on December 31, 1998, or the revised FTR rates and definitions that went into effect on January 01, 1999. Contractors may choose the maximum per diem rate computation methodology for all Contractor travel from October 01, 1999 through September 30, 2002 (see the DAR deviations issued under DAR Tracking Number 99-O0013, 2000-O0005, and 2001-O0003). Contractors shall use the revised FTR rates and definitions that went into effect on January 01, 1999 for all Contractor travel after October 01, 2002, unless (A) the Director of Defense Procurement further extends the deviation, or (B) the coverage in FAR 31.205-46(a) (2) is revised.

(2) Personnel in travel status from and to the Contractor's place of business and designated work site or vice versa, shall be considered to be performing work under the contract, and Contractor shall bill such travel time at the straight (regular) time rate; however, such billing shall not exceed eight hours per person for any one person while in travel status during one calendar day.

### (b) Per Diem

(1) The Contractor shall not be paid per diem for Contractor personnel who reside in the metropolitan area in which the tasks are being performed. Per diem shall not be paid on services performed at Contractor's home facility and at any facility required by the contract, or at any location within a radius of 50 miles from the Contractor's home facility and any facility required by this contract.

(2) Costs for subsistence and lodging shall be paid to the Contractor only to the extent that overnight stay is necessary and authorized in writing by the Government for performance of the work under this contract. When authorized, per diem shall be paid by the Contractor to its employees at a rate not to exceed the rate specified in the travel regulations cited in FAR 31.205-46(a)(2) and authorized in writing by the Government. The authorized per diem rate shall be the same as the prevailing locality per diem rate. If this contract is a definite or indefinite delivery contract, then the written Government authorization will be by task/delivery orders issued by the Ordering Officer or by a modification to an issued task/delivery order. If this contract is not a definite or indefinite delivery contract, then the written Government authorization will be by written notice of approval from the Contracting Officer's Representative (COR).

(3) Reimbursement to the Contractor for per diem shall be limited to payments to employees for authorized per diem, as described above, not to exceed the authorized per diem. Fractional parts of a day shall be payable on a prorated basis for purposes of billing for per diem charges attributed to subsistence on days of travel. Fractional billing shall be on a 1/4, 1/2, and 3/4 basis. The Contractor shall retain supporting documentation for per diem paid to employees as evidence of actual payments, as required by the FAR 52.216-7 "Allowable Cost and Payment" clause of the contract.

### (c) Transportation

(1) For transportation other than described in subparagraph (d)(5) below, the Contractor shall be paid on the basis of actual amounts paid to the extent that such transportation is necessary for the performance of work under the contract and is authorized in writing by the Government. If this contract is a definite or indefinite delivery contract, then the written Government authorization will be by task/delivery orders issued by the Ordering Officer or by a Conformed through P00005

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modification to an issued task/delivery order. If this contract is not a definite or indefinite delivery contract, then the written Government authorization will be by written notice of approval from the Contracting Officer's Representative (COR).

(2) When transportation by privately owned conveyance is authorized, the Contractor shall be paid on a mileage basis not to exceed the applicable Government transportation rate specified in the travel regulations cited in FAR 31.205-46(a)(2) and is authorized in writing by the Government. If this contract is a definite or indefinite delivery contract, then the written Government authorization will be by task/delivery orders issued by the Ordering Officer or by a modification to an issued task/delivery order. If this contract is not a definite or indefinite delivery contract, then the written Government authorization will be by written notice of approval from the Contracting Officer's Representative (COR).

(3) The Contractor agrees, in the performance of necessary travel, to use the lowest cost mode commensurate with the requirements of the mission and in accordance with good traffic management principles. When it is necessary to use air or rail travel, the Contractor agrees to use coach, tourist class or similar accommodations to the extent consistent with the successful and economical accomplishment of the mission for which the travel is being performed. Documentation must be provided to substantiate non-availability of coach or tourist if business or first class is proposed to accomplish travel requirements.

(4) The Contractor's invoices shall include evidence, such as receipts, substantiating actual costs incurred for authorized travel. Such payments shall never exceed the rates of common carrier.

(5) The Contractor shall not be paid for travel mileage for Contractor personnel who reside in the metropolitan area in which the services are being performed. Travel mileage shall not be paid for services performed at the Contractor's home facility or at any location within a driving radius of 50 miles from the Contractor's home facility.

### **H-17 DEVIATION FROM SBIR INSERTION PLAN**

(Applicable to CLIN 0103)

The prime Contractor shall provide written notification to the Procuring Contracting Officer before undertaking actions that may be incompatible with its Insertion Plan. Such a proposed action will be subject to an independent review at the Program Executive Officer level.

### **H-18 CONTRACTOR IDENTIFICATION**

(a) Contractor employees must be clearly identifiable while on Government property by wearing appropriate badges.

(b) Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with Government personnel by telephone or other electronic means.

### **H-19 RESERVED**

### **H-20 INCORPORATION OF PHASE II PROPOSAL**

- (a) If the contractor is selected for Phase II, the Contractor's Phase II proposal will be incorporated into this contract by reference. Specific plans, to include the contractor's proposed Statement of Work, Systems Specification, Program Management Plan, Integrated Master Schedule, Small Business Subcontracting Plan, SBIR Insertion Plan and CDRLs shall be included as Attachments to this contract in Section J.
- (b) As part of the Contractor's Phase II updated proposal, the Contractor will (1) provide revised Phase II costs and prices in Section B, and update Section K, as appropriate.
- (c) Sections L and M will remain a part of the Phase I contract. Upon exercise of option of Phase II, Sections J-3, L and M will be deleted from the contract. Section K will be incorporated by reference.
- (d) The changes outlined in this Section H-20 will be accomplished by unilateral modification to the contract to exercise the option for Phase II.



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**H-21 APPLICATION OF DFARS 252.227-7013 AND 252.227-7015 TECHNICAL DATA CLAUSES (AUG 2001)**

The DFARS 252.227-7015, Technical Data--Commercial Items, clause applies to technical data that pertains to a “commercial item” as defined in the DFARS 252.227-7015 clause. The DFARS 252.227-7013, Rights in Technical Data--Noncommercial Items, clause applies to all other technical data.

**H-22 ADDITIONAL INFORMATION CONCERNING SERVICE CONTRACT ACT**

The clauses pertaining to the Service Contract Act incorporated by reference in Section I (FAR Clauses 52-237-1, 52-237-2, 52-237-3) shall apply only if contract performance requires the use of employees who come within the definition of the Service Contract Act.

**Section I — CLAUSES****SECTION I — CONTRACT CLAUSES****CLAUSES INCORPORATED BY REFERENCE (JUN 1988) (FAR 52.252-2)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

NOTICE: The following contract clauses are hereby incorporated by reference:

(a) **FIXED PRICE CLAUSES** (Applicable to CLINs 0001, 0002, 0503, 0603, 0703, 0803, 0903, and 1003)

**I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES:**

<b>FAR SOURCE</b>	<b>TITLE</b>	<b>DATE</b>
52.202-1	Definitions	MAY 01
52.203-2	Certificate of Independent Price Determination	APR 85
52.203-3	Gratuities	APR 84
52.203-5	Covenant Against Contingent Fees	APR 84
52.203-6	Restrictions of SubContractor Sales to the Government	JUL 95
52.203-7	Anti-Kickback Procedures	JUL 95
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 97
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	JAN 97
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions.	APR 91
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	JUN 97
52.204-2	Security Requirements	AUG 96
52.204-4	Printing/Copying Double-Sided on Recycled Paper	AUG 00
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment	JUL 95
52.211-15	Defense Priority and Allocation Requirements	SEP 90
52.215-2	Audit and Records – Negotiation	JUN 99
52.215-10	Price Reduction for Defective Cost or Pricing Data.	OCT 97
52.215-11	Price Reduction for Defective Cost or Pricing Data - Modifications	OCT 97
52.215-12	SubContractor Cost or Pricing Data.	OCT 97
52.215-13	SubContractor Cost or Pricing Data - Modifications	OCT 97
52.215-15	Termination of Defined Benefit Pension Plan	DEC 98
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	OCT 97
52.215-19	Notification of Ownership Changes	OCT 97
52.217-9	Option to Extend the Term of the Contract	MAR 00
52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns	JAN 99
52.219-8	Utilization of Small, Small Disadvantaged and Women Owned Small Business Concerns	OCT 00
52.219-9	Small Business Subcontracting Plan. Alternative II	JAN 02
52.219-16	Liquidated Damages – Subcontracting Plan	JAN 99
52.222-21	Prohibition of Segregated Facilities.	FEB 99
52.222-3	Convict Labor	AUG 96
52.222-25	Affirmative Action Compliance.	APR 84
52.222-26	Equal Opportunity	FEB 99
52.222-29	Notice of Visa Denial	FEB 99
52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans	APR 98
52.222-36	Affirmative Action for Handicapped Workers	JUN 98
52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era	JAN 99
52.222-38	Compliance with Veterans' Employment Reporting Requirements.	DEC 01
52.222-41	Service Contract Act of 1965	MAY 89

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52.222.48	Exemption from Application of Service Contract Act Provisions for Contracts For Maintenance, Calibration, and/or Repair of Certain Information Technology, Scientific and Medical and/or Office and Business Equipment-Contractor Certification.	AUG 96
52.223-5	Pollution Prevention and Right-to-Know Information.	APR 98
52.223-6	Drug Free Workplace	MAY
0152.223-14	Toxic Chemical Release Reporting	OCT 00
52.224-1	Privacy Act Notification.	APR 84
52.224-2	Privacy Act	APR 84
52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Enterprise	JUN 00
52.227-1	Authorization and Consent	JUL 95
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	AUG 96
52.227-12	Patent Rights Retention by Contractor (Long Form)	JAN 97
52.229-3	Federal, State, and Local Taxes	JAN 91
52.230-2	Cost Accounting Standards	APR 98
52.230-6	Administration of Cost Accounting Standards	NOV 99
52.232-1	Payments	APR 84
52.232-2	Payments Under Fixed-Price Research and Development Contracts	APR 84
52.232-8	Discounts for Prompt Payment	MAY 97
52.232-11	Extras	APR 84
52.232-17	Interest	JUN 96
52.232-22	Limitation of Funds	APR 84
52.232-23	Assignment of Claims	JAN 86
52.232-25	Prompt Payment	MAY 01
52.232-33	Payment by Electronic Funds Transfer—Central Contractor Registration	MAY 99
52.233-1	Disputes	DEC 98
52.233-3	Protest After Award	AUG 96
52.237-1	Site Visit	Apr 1984
52.237-2	Protection of Government Buildings, Equipment, and Vegetation	APR 1984
52.237-3	Continuity of Services	JAN 1991
52.239-1	Privacy or Security Safeguards	AUG 96
52.242-4	Certification of Final Indirect Costs	JAN 97
52.242-10	F.O.B. Origin – Government Bills of Lading or Prepaid Postage	APR 84
52.242-12	Report of Shipment (REPSHIP)	JUL 95
52.242-13	Bankruptcy	JUL 95
52.243-1	Changes--Fixed-Price (Alternate V)	AUG 87
52.244-5	Competition in Subcontracting	DEC 96
52.245-1	Property Records	APR 84
52.245-2	Government Property (Fixed-Price Contracts)	DEC 89
52.245-19	Government Property Furnished “As Is”	APR 84
52.247-1	Commercial Bill of Lading Notations	APR 84
52.247-63	Preference for U.S. Flag Air Carriers	JAN 97
52.249-2	Termination for Convenience of the Government (Fixed-Price)	SEP 96
52.249-8	Default (Fixed-Price Supply and Service)	APR 84
52.249-14	Excusable Delays	APR 84
52.251-1	Government Supply Sources	APR 84
52.252-1	Solicitation Provisions Incorporated by Reference	FEB 98
52.252-6	Authorized Deviation in Clauses	APR 84
52.253-1	Computer Generated Forms	JAN 91

**Section I — CLAUSES**

<b>DFARS Source</b>	<b>Title</b>	<b>Date</b>
252.201-7000	Contracting Officer's Representative	DEC 91
252.203-7001	Special Prohibition on Employment	MAR 99
252.203-7002	Display of DoD Hotline Poster	DEC 91
252.204-7000	Disclosure of Information	DEC 91
252.204-7003	Control of Government Personnel Work Product	APR 92
252.205-7000	Provision of Information to Cooperative Agreement Holders	DEC 91
252.209-7000	Acquisition from SubContractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty	OCT 95
252.211-7000	Acquisition Streamlining	DEC 91
252.215-7002	Cost Estimating System Requirements	OCT 98
252.219-7004	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (Test Program)	JUN 97
252.223-7004	Drug Free Work Force	SEP 88
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Material	APR 93
252.225-7001	Buy America Act and Balance of Payments Program	MAR 98
252.225-7002	Qualifying Country Sources as SubContractors	DEC 91
252.225-7010	Duty Free Entry – Additional Provisions	AUG 00
252.225-7012	Preference for Certain Domestic Commodities	AUG 00
252.225-7016	Restrictions on Acquisition of Ball and Roller Bearings	DEC 00
252.225-7025	Restriction on Acquisition of Forgings	JUN 97
252.225-7026	Reporting of Contract Performance Outside the United States	JUN 00
252.225-7031	Secondary Arab Boycott of Israel	JUN 92
252.225-7036	North American Free Trade Agreement Implementation Act	SEP 99
252.227-7013	Rights in Technical Data – Non-Commercial Items	NOV 95
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	JUN 95
252.227-7015	Technical Data -- Commercial Items	NOV 95
252.227-7016	Rights in Bid or Proposal Information	JUN 95
252.227-7019	Validation of Asserted Restrictions – Computer Software	JUN 95
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	JUN 95
252.227-7027	Deferred Ordering of Technical Data or Computer Software	APR 88
252.227-7030	Technical Data – Withholding of Payment	MAR 80
252.227-7034	Patents – Subcontracts	APR 84
252.227-7036	Declaration of Technical Data Conformity	JAN 97
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 97
252.231-7000	Supplemental Cost Principles	DEC 91
252.235-7003	Frequency Authorization	DEC 91
252.235-7011	Final Scientific or Technical Report	SEP 99
252.242-7000	Post award Conference	DEC 91
252.242-7003	Application for U.S. Government Shipping Documentation/Instructions	DEC 91
252.242-7005	Cost/Schedule Status Report	MAR 98
252.243-7001	Pricing of Contract Modifications	DEC 91
252.245-7001	Reports of Government Property	MAY 94
252.246-7001	Warranty of Data (Alternate II)	DEC 91
252.249-7002	Notification of Anticipated Contract Termination or Reduction	DEC 96
252.251-7000	Ordering from Government Supply Sources	MAY 95

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(b) **COST PLUS AWARD FEE CLAUSES** (Applicable to CLINs 0100, 0103, 0200, 0300, 0400, 0471, 0472, 0473, 0501, 0502)

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES:

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52.202-1	Definitions	MAY 01
52.203-3	Gratuities	APR 84
52.203-5	Covenant Against Contingent Fees	APR 84
52.203-6	Restrictions of SubContractor Sales to the Government	JUL 95
52.203-7	Anti-Kickback Procedures	JUL 95
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 97
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	JAN 97
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions.	APR 91
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	JUN 97
52.204-2	Security Requirements	AUG 96
52.204-4	Printing/Copying Double-Sided on Recycled Paper	AUG 00
52.204-6	Data Universal Numbering System (DUNS) Number	JUN 99
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment	JUL 95
52.211-15	Defense Priority and Allocation Requirements	SEP 90
52.215-2	Audit and Records – Negotiation	JUN 99
52.215-10	Price Reduction for Defective Cost or Pricing Data.	OCT 97
52.215-11	Price Reduction for Defective Cost or Pricing Data - Modifications	OCT 97
52.215-12	SubContractor Cost or Pricing Data.	OCT 97
52.215-13	SubContractor Cost or Pricing Data - Modifications	OCT 97
52.215-15	Termination of Defined Benefit Pension Plan	DEC 98
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	OCT 97
52.215-19	Notification of Ownership Changes	OCT 97
52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data	OCT 97
52.216-7	Allowable Cost and Payment	MAR 00
52.217-9	Option to Extend the Term of the Contract	MAR 00
52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns	JAN 99
52.219-8	Utilization of Small, Small Disadvantaged and Women Owned Small Business Concerns	OCT 00
52.219-9	Small Business Subcontracting Plan. Alternative II	JAN 02
52.219-16	Liquidated Damages – Subcontracting Plan	JAN 99
52.222-3	Convict Labor	AUG 96
52.222-21	Prohibition of Segregated Facilities.	FEB 99
52.222-25	Affirmative Action Compliance.	APR 84
52.222-26	Equal Opportunity	FEB 99
52.222-29	Notice of Visa Denial	FEB 99
52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans	APR 98
52.222-36	Affirmative Action for Handicapped Workers	JUN 98
52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era	JAN 99
52.222-38	Compliance with Veterans' Employment Reporting Requirements.	DEC 01
52.222-41	Service Contract Act of 1965	MAY 89
52.222.48	Exemption from Application of Service Contract Act Provisions for Contracts For Maintenance, Calibration, and/or Repair of Certain Information Technology, Scientific and Medical and/or Office and Business Equipment-Contractor Certification.	AUG 96
52.223-5	Pollution Prevention and Right-to-Know Information.	APR 98

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52.224-1	Privacy Act Notification.	APR 84
52.224-2	Privacy Act	APR 84
52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Enterprise	JUN 00
52.227-1	Authorization and Consent	JUL 95
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	AUG 96
52.227-12	Patent Rights Retention by Contractor (Long Form)	JAN 97
52.228-7	Insurance – Liability to Third Persons	MAR 96
52.230-2	Cost Accounting Standards	APR 98
52.230-6	Administration of Cost Accounting Standards	NOV 99
52.232-17	Interest	JUN 96
52.232-22	Limitation of Funds	APR 84
52.232-23	Assignment of Claims	JAN 86
52.232-25	Prompt Payment	JUN 97
52.232-33	Payment by Electronic Funds Transfer—Central Contractor Registration	MAY 99
52.233-1	Disputes	DEC 98
52.233-3	Protest After Award	AUG 96
52.237-1	Site Visit	Apr 1984
52.237-2	Protection of Government Buildings, Equipment, and Vegetation	APR 1984
52.237-3	Continuity of Services	JAN 1991
52.239-1	Privacy or Security Safeguards	AUG 96
52.242-1	Notice of Intent to Disallow Costs	APR 84
52.242-3	Penalties for Unallowable Costs	MAY 01
52.242-4	Certification of Final Indirect Costs	JAN 97
52.242-10	F.O.B. Origin – Government Bills of Lading or Prepaid Postage	APR 84
52.242-12	Report of Shipment (REPSHIP)	JUL 95
52.242-13	Bankruptcy	JUL 95
52.243-2	Changes - Cost Reimbursement (Alternate V)	AUG 87
52.244-5	Competition in Subcontracting	DEC 96
52.245-1	Property Records	APR 84
52.245-5	Government Property (Cost Reimbursement, Time and Material, or Labor Hour Contracts)	JAN 86
52.245-19	Government Property Furnished “As Is”	APR 84
52.247-1	Commercial Bill of Lading Notations	APR 84
52.247-63	Preference for U.S. Flag Air Carriers	JAN 97
52.249-6	Termination (Cost Reimbursement)	SEP 96
52.249-14	Excusable Delays	APR 84
52.251-1	Government Supply Sources	APR 84
52.252-1	Solicitation Provisions Incorporated by Reference	FEB 98
52.252-6	Authorized Deviation in Clauses	APR 84
52.253-1	Computer Generated Forms	JAN 91

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252.203-7002	Display of DoD Hotline Poster	DEC 91
252.204-7000	Disclosure of Information	DEC 91
252.204-7003	Control of Government Personnel Work Product	APR 92
252.205-7000	Provision of Information to Cooperative Agreement Holders	DEC 91
252.209-7000	Acquisition from SubContractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty	NOV 95
252.211-7000	Acquisition Streamlining	DEC 91
252.215-7002	Cost Estimating System Requirements	OCT 98
252.219-7004	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (Test Program)	JUN 97
252.223-7004	Drug Free Work Force	SEP 88
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Material	APR 93
252.225-7001	Buy America Act and Balance of Payments Program	MAR 98
252.225-7002	Qualifying Country Sources as SubContractors	DEC 91
252.225-7010	Duty Free Entry – Additional Provisions	AUG 00
252.225-7012	Preference for Certain Domestic Commodities	AUG 00
252.225-7016	Restrictions on Acquisition of Ball and Roller Bearings	DEC 00
252.225-7025	Restriction on Acquisition of Forgings	JUN 97
252.225-7026	Reporting of Contract Performance Outside the United States	JUN 00
252.225-7031	Secondary Arab Boycott of Israel	JUN 92
252.225-7036	North American Free Trade Agreement Implementation Act	MAR 98
252.227-7013	Rights in Technical Data – Non-Commercial Items	NOV 95
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	JUN 95
252.227-7015	Technical Data -- Commercial Items	NOV 95
252.227-7016	Rights in Bid or Proposal Information	JUN 95
252.227-7019	Validation of Asserted Restrictions – Computer Software	JUN 95
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	JUN 95
252.227-7027	Deferred Ordering of Technical Data or Computer Software	APR 88
252.227-7030	Technical Data – Withholding of Payment	MAR 00
252.227-7034	Patents – Subcontracts	APR 84
252.227-7036	Declaration of Technical Data Conformity	JAN 97
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 99
252.231-7000	Supplemental Cost Principles	DEC 91
252.235-7003	Frequency Authorization	DEC 91
252.235-7011	Final Scientific or Technical Report	SEP 99
252.242-7000	Post award Conference	DEC 91
252.242-7003	Application for U.S. Government Shipping Documentation/Instructions	DEC 91
252.242-7005	Cost/Schedule Status Report	MAR 98
252.245-7001	Reports of Government Property	MAY 94
252.246-7001	Warranty of Data	DEC 91
252.249-7002	Notification of Anticipated Contract Termination or Reduction	DEC 96
252.251-7000	Ordering from Government Supply Sources	MAY 95

(c) **COST PLUS FIXED FEE CLAUSES** (Applicable to CLINs 0150, 0250, 0350, 0400, 0450, 0500, 0550, 0600, 0650, 0700, 0750, 0800, 0850, 0900, 0950, 1000, 1050)

<b>FAR SOURCE</b>	<b>TITLE</b>	<b>DATE</b>
52.202-1	Definitions	MAY 01
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52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 97
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	JAN 97
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52.204-2	Security Requirements	AUG 96
52.204-4	Printing/Copying Double-Sided on Recycled Paper	AUG 00
52.204-6	Data Universal Numbering System (DUNS) Number	JUN 99
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment	JUL 95
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52.215-2	Audit and Records – Negotiation	JUN 99
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52.215-11	Price Reduction for Defective Cost or Pricing Data - Modifications	OCT 97
52.215-12	SubContractor Cost or Pricing Data.	OCT 97
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52.216-7	Allowable Cost and Payment	MAR 00
52.216-8	Fixed Fee	Mar 1997
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52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns	JAN 99
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52.222-3	Convict Labor	AUG 96
52.222-21	Prohibition of Segregated Facilities.	FEB 99
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52.222-29	Notice of Visa Denial	FEB 99
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The following clauses in full text apply to all CLINs unless otherwise specified.

### **I-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994) (FAR 52.234-1)**

*(a) Definitions.*

"Title III industrial resource" means materials, services, processes, or manufacturing equipment (including the processes, technologies, and ancillary services for the use of such equipment) established or maintained under the authority of Title III, Defense Production Act (50 U.S.C. App. 2091-2093).

"Title III project Contractor" means a Contractor that has received assistance for the development or manufacture of an industrial resource under 50 U.S.C. App. 2091-2093, Defense Production Act.

(b) The Contractor shall refer any request from a Title III project Contractor for testing and qualification of a Title III industrial resource to the Contracting Officer.

(c) Upon the direction of the Contracting Officer, the Contractor shall test Title III industrial resources for qualification. The Contractor shall provide the test results to the Defense Production Act Office, Title III Program, located at Wright-Patterson Air Force Base, Ohio 45433-7739.

(d) When the Contracting Officer modifies the contract to direct testing pursuant to this clause, the Government will provide the Title III industrial resource to be tested and will make an equitable adjustment in the contract for the costs of testing and qualification of the Title III industrial resource.

(e) The Contractor agrees to insert the substance of this clause, including paragraph (e), in every subcontract issued in performance of this contract.

### **I-2 NOTIFICATION OF CHANGES (APR 1984) (FAR 52.243-7)**

(a) Definitions. "Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer. "Specifically Authorized Representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the Contractor) which shall refer to this subparagraph and shall be issued to the designated representative before the SAR exercises such authority.

(b) Notice. The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing promptly, within 30 calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the Contractor, the notice shall state--

- (1) The date, nature, and circumstances of the conduct regarded as a change;
- (2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;
- (3) The identification of any documents and the substance of any oral communication involved in such conduct;
- (4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;
- (5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including--
  - (i) What contract line items have been or may be affected by the alleged change;
  - (ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
  - (iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;

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(iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and

(6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

(c) Continued performance. Following submission of the notice required by (b) above, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in (b) above, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) Government response. The Contracting Officer shall promptly, within 60 calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either--

(1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;

(2) Countermand any communication regarded as a change;

(3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or

(4) In the event the Contractor's notice information is inadequate to make a decision under subparagraphs (d)(1), (2), or (3) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) Equitable adjustments. (1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made--

(i) In the contract price or delivery schedule or both; and

(ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor's failure to provide notice or to continue performance as provided, respectively, in (b) and (c) above.

NOTE: The phrases "contract price" and "cost" wherever they appear in the clause, may be appropriately modified to apply to cost-reimbursement or incentive contracts, or to combinations thereof.

### **I-3 SUBCONTRACTS (COST REIMBURSEMENT) (AUG 1998) (FAR 52.244-2)**

(Applicable to Phase II CLINs)

(a) Definitions. As used in this clause-

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"Approved purchasing system" means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR). Consent to subcontract" means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract.

"Subcontract" means any contract, as defined in FAR Subpart 2.1, entered into by a SubContractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) This clause does not apply to subcontracts for special test equipment when the contract contains the clause at FAR 52.245-18, Special Test Equipment.

(c) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (d) or (e) of this clause.

(d) If the Contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that-

- (1) Is of the cost-reimbursement, time-and-materials, or labor-hour type; or
- (2) Is fixed-price and exceeds-
  - (i) For a contract awarded by the Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or
  - (ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(e) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

(f)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (c), (d), or (e) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of subcontract to be used.

(iii) Identification of the proposed SubContractor.

(iv) The proposed subcontract price.

(v) The SubContractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.

(vi) The SubContractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.

(vii) A negotiation memorandum reflecting-

- (A) The principal elements of the subcontract price negotiations;
- (B) The most significant considerations controlling establishment of initial or revised prices;
- (C) The reason cost or pricing data were or were not required;
- (D) The extent, if any, to which the Contractor did not rely on the SubContractor's cost or pricing data in determining the price objective and in negotiating the final price;

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(E) The extent to which it was recognized in the negotiation that the SubContractor's cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and the SubContractor; and the effect of any such defective data on the total price negotiated;

(F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and

(G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.

(2) The Contractor is not required to notify the Contracting Officer in advance of entering into any subcontract for which consent is not required under paragraph (c), (d), or (e) of this clause.

(g) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination-

(1) Of the acceptability of any subcontract terms or conditions;

(2) Of the allowability of any cost under this contract; or

(3) To relieve the Contractor of any responsibility for performing this contract.

(h) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.4044(c)(4)(i).

(i) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any SubContractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(j) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.

(k) Paragraphs (d) and (f) of this clause do not apply to the following subcontracts, which were evaluated during negotiations

The subcontractors listed in the Offeror's Final Proposal Revision are incorporated by reference.

**I-4 SUBCONTRACTS FOR COMMERCIAL ITEMS (MAY 2001) (FAR 52.244-6)**

(a) Definitions. As used in this clause-

"Commercial item" has the meaning contained in the clause at 52.202-1, Definitions.

"Subcontract" includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or SubContractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its SubContractors at all tiers to incorporate, commercial items or non-developmental items as components of items to be supplied under this contract.

(c)(1) The following clauses shall be flowed down to subcontracts for commercial items:

(i) 52.219-8, Utilization of Small Business Concerns (Oct 2000) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the SubContractor must include 52.2198 in lower tier subcontracts that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (Feb 1999) (E.O. 11246).

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(iii) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (Apr 1998) (38 U.S.C. 4212(a)).

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (June 1998) (29 U.S.C. 793).

(v) 52.247-64, Preference for Privately Owned U.S.-Flagged Commercial Vessels (June 2000) (46 U.S.C. Appx. 1241) (flowdown not required for subcontracts awarded beginning May 1, 1996).

(2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

### **I-5 VALUE ENGINEERING (FEB 2000) (FAR 52.248-1)**

(a) General. The Contractor is encouraged to develop, prepare, and submit Value Engineering Change Proposals (VECP's) voluntarily. The Contractor shall share in any net acquisition savings realized from accepted VECP's, in accordance with the incentive sharing rates in paragraph (f) of this clause.

(b) Definitions.

"Acquisition savings," as used in this clause, means savings resulting from the application of a VECP to contracts awarded by the same contracting office or its successor for essentially the same unit. Acquisition savings include-

(1) Instant contract savings, which are the net cost reductions on this, the instant contract, and which are equal to the instant unit cost reduction multiplied by the number of instant contract units affected by the VECP, less the Contractor's allowable development and implementation costs;

(2) Concurrent contract savings, which are net reductions in the prices of other contracts that are definitized and ongoing at the time the VECP is accepted; and

(3) Future contract savings, which are the product of the future unit cost reduction multiplied by the number of future contract units in the sharing base. On an instant contract, future contract savings include savings on increases in quantities after VECP acceptance that are due to contract modifications, exercise of options, additional orders, and funding of subsequent year requirements on a multiyear contract.

"Collateral savings," as used in this clause, means those measurable net reductions resulting from a VECP in the agency's overall projected collateral costs, exclusive of acquisition savings, whether or not the acquisition cost changes.

"Contracting office" includes any contracting office that the acquisition is transferred to, such as another branch of the agency or another agency's office that is performing a joint acquisition action.

"Contractor's development and implementation costs," as used in this clause, means those costs the Contractor incurs on a VECP specifically in developing, testing, preparing, and submitting the VECP, as well as those costs the Contractor incurs to make the contractual changes required by Government acceptance of a VECP.

"Future unit cost reduction," as used in this clause, means the instant unit cost reduction adjusted as the Contracting Officer considers necessary for projected learning or changes in quantity during the sharing period. It is calculated at the time the VECP is accepted and applies either-

(1) Throughout the sharing period, unless the Contracting Officer decides that recalculation is necessary because conditions are significantly different from those previously anticipated; or

(2) To the calculation of a lump-sum payment, which cannot later be revised.

"Government costs," as used in this clause, means those agency costs that result directly from developing and implementing the VECP, such as any net increases in the cost of testing, operations, maintenance, and logistics support. The term does not include the normal administrative costs of processing the VECP or any increase in this contract's cost or price resulting from negative instant contract savings.

"Instant contract," as used in this clause, means this contract, under which the VECP is submitted. It does not include increases in quantities after acceptance of the VECP that are due to contract modifications, exercise of

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options, or additional orders. If this is a multiyear contract, the term does not include quantities funded after VECP acceptance. If this contract is a fixed-price contract with prospective price redetermination, the term refers to the period for which firm prices have been established.

"Instant unit cost reduction" means the amount of the decrease in unit cost of performance (without deducting any Contractor's development or implementation costs) resulting from using the VECP on this, the instant contract. If this is a service contract, the instant unit cost reduction is normally equal to the number of hours per line-item task saved by using the VECP on this contract, multiplied by the appropriate contract labor rate.

"Negative instant contract savings" means the increase in the cost or price of this contract when the acceptance of a VECP results in an excess of the Contractor's allowable development and implementation costs over the product of the instant unit cost reduction multiplied by the number of instant contract units affected.

"Net acquisition savings" means total acquisition savings, including instant, concurrent, and future contract savings, less Government costs.

"Sharing base," as used in this clause, means the number of affected end items on contracts of the contracting office accepting the VECP.

"Sharing period," as used in this clause, means the period beginning with acceptance of the first unit incorporating the VECP and ending at a calendar date or event determined by the contracting officer for each VECP.

"Unit," as used in this clause, means the item or task to which the Contracting Officer and the Contractor agree the VECP applies.

"Value engineering change proposal (VECP)" means a proposal that-

- (1) Requires a change to this, the instant contract, to implement; and
- (2) Results in reducing the overall projected cost to the agency without impairing essential functions or characteristics; provided, that it does not involve a change-
  - (i) In deliverable end item quantities only;
  - (ii) In Research and Development (R&D) end items or R&D test quantities that is due solely to results of previous testing under this contract; or
  - (iii) To the contract type only.
- (c) VECP preparation. As a minimum, the Contractor shall include in each VECP the information described in paragraphs (c)(1) through (8) of this clause. If the proposed change is affected by contractually required configuration management or similar procedures, the instructions in those procedures relating to format, identification, and priority assignment shall govern VECP preparation. The VECP shall include the following:
  - (1) A description of the difference between the existing contract requirement and the proposed requirement, the comparative advantages and disadvantages of each, a justification when an item's function or characteristics are being altered, the effect of the change on the end item's performance, and any pertinent objective test data.
  - (2) A list and analysis of the contract requirements that must be changed if the VECP is accepted, including any suggested specification revisions.
  - (3) Identification of the unit to which the VECP applies.
  - (4) A separate, detailed cost estimate for (i) the affected portions of the existing contract requirement and (ii) the VECP. The cost reduction associated with the VECP shall take into account the Contractor's allowable development and implementation costs, including any amount attributable to subcontracts under the Subcontracts paragraph of this clause.
  - (5) A description and estimate of costs the Government may incur in implementing the VECP, such as test and evaluation and operating and support costs.
  - (6) A prediction of any effects the proposed change would have on collateral costs to the agency.



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(7) A statement of the time by which a contract modification accepting the VECP must be issued in order to achieve the maximum cost reduction, noting any effect on the contract completion time or delivery schedule.

(8) Identification of any previous submissions of the VECP, including the dates submitted, the agencies and contract numbers involved, and previous Government actions, if known.

(d) Submission. The Contractor shall submit VECP's to the Contracting Officer, unless this contract states otherwise. If this contract is administered by other than the contracting office, the Contractor shall submit a copy of the VECP simultaneously to the Contracting Officer and to the Administrative Contracting Officer.

(e) Government action. (1) The Contracting Officer will notify the Contractor of the status of the VECP within 45 calendar days after the contracting office receives it. If additional time is required, the Contracting Officer will notify the Contractor within the 45-day period and provide the reason for the delay and the expected date of the decision. The Government will process VECP's expeditiously; however, it will not be liable for any delay in acting upon a VECP.

(2) If the VECP is not accepted, the Contracting Officer will notify the Contractor in writing, explaining the reasons for rejection. The Contractor may withdraw any VECP, in whole or in part, at any time before it is accepted by the Government. The Contracting Officer may require that the Contractor provide written notification before undertaking significant expenditures for VECP effort.

(3) Any VECP may be accepted, in whole or in part, by the Contracting Officer's award of a modification to this contract citing this clause and made either before or within a reasonable time after contract performance is completed. Until such a contract modification applies a VECP to this contract, the Contractor shall perform in accordance with the existing contract. The decision to accept or reject all or part of any VECP is a unilateral decision made solely at the discretion of the Contracting Officer.

(f) Sharing rates. If a VECP is accepted, the Contractor shall share in net acquisition savings according to the percentages shown in the table below. The percentage paid the Contractor depends upon-

(1) This contract's type (fixed-price, incentive, or cost-reimbursement);

(2) The sharing arrangement specified in paragraph (a) of this clause (incentive, program requirement, or a combination as delineated in the Schedule); and

(3) The source of the savings (the instant contract, or concurrent and future contracts), as follows:

### CONTRACTOR'S SHARE OF NET ACQUISITION SAVINGS

(Figures in percent)

Contract Type	Incentive (Voluntary)		Program Requirement (Mandatory)	
	Instant Contract Rate	Concurrent and Future Contract Rate	Instant Contract Rate	Concurrent and Future Contract Rate
Fixed-price (includes fixed-price-award-fee; excludes other fixed-price incentive contracts)	* 50	* 50	* 25	25
Incentive (fixed-price or cost) (other than award fee)	(**)	* 50	(**)	25
Cost-reimbursement (includes cost-plus-award-fee; excludes other cost-type incentive Contracts)	*** 25	*** 25	15	15

\* The Contracting Officer may increase the Contractor's sharing rate to as high as 75 percent for each VECP.

\*\* Same sharing arrangement as the contract's profit or fee adjustment formula.

\*\*\* The Contracting Officer may increase the Contractor's sharing rate to as high as 50 percent for each VECP.

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(g) Calculating net acquisition savings. (1) Acquisition savings are realized when (i) the cost or price is reduced on the instant contract, (ii) reductions are negotiated in concurrent contracts, (iii) future contracts are awarded, or (iv) agreement is reached on a lump-sum payment for future contract savings (see paragraph (i)(4) of this clause). Net acquisition savings are first realized, and the Contractor shall be paid a share, when Government costs and any negative instant contract savings have been fully offset against acquisition savings.

(2) Except in incentive contracts, Government costs and any price or cost increases resulting from negative instant contract savings shall be offset against acquisition savings each time such savings are realized until they are fully offset. Then, the Contractor's share is calculated by multiplying net acquisition savings by the appropriate Contractor's percentage sharing rate (see paragraph (f) of this clause). Additional Contractor shares of net acquisition savings shall be paid to the Contractor at the time realized.

(3) If this is an incentive contract, recovery of Government costs on the instant contract shall be deferred and offset against concurrent and future contract savings. The Contractor shall share through the contract incentive structure in savings on the instant contract items affected. Any negative instant contract savings shall be added to the target cost or to the target price and ceiling price, and the amount shall be offset against concurrent and future contract savings.

(4) If the Government does not receive and accept all items on which it paid the Contractor's share, the Contractor shall reimburse the Government for the proportionate share of these payments.

(h) Contract adjustment. The modification accepting the VECP (or a subsequent modification issued as soon as possible after any negotiations are completed) shall-

(1) Reduce the contract price or estimated cost by the amount of instant contract savings, unless this is an incentive contract;

(2) When the amount of instant contract savings is negative, increase the contract price, target price and ceiling price, target cost, or estimated cost by that amount;

(3) Specify the Contractor's dollar share per unit on future contracts, or provide the lump-sum payment;

(4) Specify the amount of any Government costs or negative instant contract savings to be offset in determining net acquisition savings realized from concurrent or future contract savings; and

(5) Provide the Contractor's share of any net acquisition savings under the instant contract in accordance with the following:

(i) Fixed-price contracts-add to contract price.

(ii) Cost-reimbursement contracts-add to contract fee.

(i) Concurrent and future contract savings. (1) Payments of the Contractor's share of concurrent and future contract savings shall be made by a modification to the instant contract in accordance with paragraph (h)(5) of this clause. For incentive contracts, shares shall be added as a separate firm-fixed-price line item on the instant contract. The Contractor shall maintain records adequate to identify the first delivered unit for 3 years after final payment under this contract.

(2) The Contracting Officer shall calculate the Contractor's share of concurrent contract savings by-

(i) Subtracting from the reduction in price negotiated on the concurrent contract any Government costs or negative instant contract savings not yet offset; and

(ii) Multiplying the result by the Contractor's sharing rate.

(3) The Contracting Officer shall calculate the Contractor's share of future contract savings by-

(i) Multiplying the future unit cost reduction by the number of future contract units scheduled for delivery during the sharing period;

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(ii) Subtracting any Government costs or negative instant contract savings not yet offset; and

(iii) Multiplying the result by the Contractor's sharing rate.

(4) When the Government wishes and the Contractor agrees, the Contractor's share of future contract savings may be paid in a single lump sum rather than in a series of payments over time as future contracts are awarded. Under this alternate procedure, the future contract savings may be calculated when the VECP is accepted, on the basis of the Contracting Officer's forecast of the number of units that will be delivered during the sharing period. The Contractor's share shall be included in a modification to this contract (see paragraph (h)(3) of this clause) and shall not be subject to subsequent adjustment.

(5) Alternate no-cost settlement method. When, in accordance with subsection 48.104-4 of the Federal Acquisition Regulation, the Government and the Contractor mutually agree to use the no-cost settlement method, the following applies:

(i) The Contractor will keep all the savings on the instant contract and on its concurrent contracts only.

(ii) The Government will keep all the savings resulting from concurrent contracts placed on other sources, savings from all future contracts, and all collateral savings.

(j) Collateral savings. If a VECP is accepted, the Contracting Officer will increase the instant contract amount, as specified in paragraph (h)(5) of this clause, by a rate from 20 to 100 percent, as determined by the Contracting Officer, of any projected collateral savings determined to be realized in a typical year of use after subtracting any Government costs not previously offset. However, the Contractor's share of collateral savings will not exceed the contract's firm-fixed-price, target price, target cost, or estimated cost, at the time the VECP is accepted, or \$100,000, whichever is greater. The Contracting Officer will be the sole determiner of the amount of collateral savings.

(k) Relationship to other incentives. Only those benefits of an accepted VECP not rewardable under performance, design-to-cost (production unit cost, operating and support costs, reliability and maintainability), or similar incentives shall be rewarded under this clause. However, the targets of such incentives affected by the VECP shall not be adjusted because of VECP acceptance. If this contract specifies targets but provides no incentive to surpass them, the value engineering sharing shall apply only to the amount of achievement better than target.

(l) Subcontracts. The Contractor shall include an appropriate value engineering clause in any subcontract of \$100,000 or more and may include one in subcontracts of lesser value. In calculating any adjustment in this contract's price for instant contract savings (or negative instant contract savings), the Contractor's allowable development and implementation costs shall include any SubContractor's allowable development and implementation costs, and any value engineering incentive payments to a SubContractor, clearly resulting from a VECP accepted by the Government under this contract. The Contractor may choose any arrangement for SubContractor value engineering incentive payments, provided, that the payments shall not reduce the Government's share of concurrent or future contract savings or collateral savings.

(m) Data. The Contractor may restrict the Government's right to use any part of a VECP or the supporting data by marking the following legend on the affected parts:

These data, furnished under the Value Engineering clause of contract \_\_\_\_\_, shall not be disclosed outside the Government or duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate a value engineering change proposal submitted under the clause. This restriction does not limit the Government's right to use information contained in these data if it has been obtained or is otherwise available from the Contractor or from another source without limitations.

If a VECP is accepted, the Contractor hereby grants the Government unlimited rights in the VECP and supporting data, except that, with respect to data qualifying and submitted as limited rights technical data, the Government shall have the rights specified in the contract modification implementing the VECP and shall appropriately mark the data. (The terms "unlimited rights" and "limited rights" are defined in Part 27 of the Federal Acquisition Regulation.)

**Section I — CLAUSES****I-6 ACKNOWLEDGMENT OF SUPPORT AND DISCLAIMER (MAY 1995) (DFARS 252.235-7010)**

(a) The Contractor shall include an acknowledgment of the Government's support in the publication of any material based on or developed under this contract, stated in the following terms: This material is based upon work supported by the (name of contracting agency(ies)) under Contract No. (Contracting agency(ies) contract number(s)).

(b) All material, except scientific articles or papers published in scientific journals, must, in addition to any notices or disclaimers by the Contractor, also contain the following disclaimer: Any opinions, findings and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the (name of contracting agency(ies)).

**I-7 ORDERING FROM GOVERNMENT SUPPLY SOURCES (MAY 1995) (DFARS 252.251-7000)**

(a) When placing orders under Federal Supply Schedules or Personal Property Rehabilitation Price Schedules, the Contractor shall follow the terms of the applicable schedule and authorization. Include in each order:

(1) A copy of the authorization (unless a copy was previously furnished to the Federal Supply Schedule or Personal Property Rehabilitation Price Schedule Contractor).

(2) The following statement:

This order is placed under written authorization from \_\_\_\_\_ dated \_\_\_\_\_. In the event of any inconsistency between the terms and conditions of this order and those of your Federal Supply Schedule contract or Personal Property Rehabilitation Price Schedule contract, the latter will govern.

(3) The completed address(es) to which the Contractor's mail, freight, and billing documents are to be directed.

(b) If a Federal Supply Schedule Contractor refuses to honor an order placed by a Government Contractor under an agency authorization, the Contractor shall report the circumstances to the General Services Administration, FFN, Washington, DC 20406, with a copy to the authorizing office.

(c) When placing orders under nonmandatory schedule contracts and requirements contracts, issued by the General Services Administration (GSA) Office of Information Resources Management, for automated data processing equipment, software and maintenance, communications equipment and supplies, and teleprocessing services, the Contractor shall follow the terms of the applicable contract and the procedures in paragraph (a) of this clause.

(d) When placing orders for Government stock, the Contractor shall--

(1) Comply with the requirements of the Contracting Officer's authorization, using FEDSTRIP or MILSTRIP procedures, as appropriate;

(2) Use only the GSA Form 1948-A, Retail Services Shopping Plate, when ordering from GSA Self-Service Stores;

(3) Order only those items required in the performance of Government contracts; and

(4) Pay invoices from Government supply sources promptly. For purchases made from DoD supply sources, this means within 30 days of the date of a proper invoice (see also Defense Federal Acquisition Regulation Supplement (DFARS) 251.105). For purposes of computing interest for late Contractor payments, the Government's invoice is deemed to be a demand for payment in accordance with the Interest clause of this contract. The Contractor's failure to pay may also result in the DoD supply source refusing to honor the requisition (see DFARS 251.102(f)) or in the Contracting Officer terminating the Contractor's authorization to use DoD supply sources. In the event the Contracting Officer decides to terminate the authorization due to the Contractor's failure to pay in a timely manner, the Contracting Officer shall provide the Contractor with prompt written notice of the intent to terminate the authorization and the basis for such action. The Contractor shall have 10 days after receipt of the Government's notice in which to provide additional information as to why the

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authorization should not be terminated. Such termination shall not provide the Contractor with an excusable delay for failure to perform or complete the contract in accordance with the terms of the contract, and the Contractor shall be solely responsible for any increased costs.

(e) Only the Contractor may request authorization for SubContractor use of Government supply sources. The Contracting Officer will not grant authorizations for SubContractor use without approval of the Contractor.

(f) Government invoices shall be submitted to the Contractor's billing address, and Contractor payments shall be sent to the Government remittance address specified below:

Contractor's Billing Address (include point of contact and telephone number):

Government Remittance Address (include point of contact and telephone number):

### **I-8 FAR 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (OCT 1997)**

(a) *Exceptions from cost or pricing data.* (1) In lieu of submitting cost or pricing data for modifications under this contract, for price adjustments expected to exceed the threshold set forth at FAR 15.403-4 on the date of the agreement on price or the date of the award, whichever is later, the Contractor may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable--

(i) Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a Governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.

(ii) Information on modifications of contracts or subcontracts for commercial items. (A) If--

(1) The original contract or subcontract was granted an exception from cost or pricing data requirements because the price agreed upon was based on adequate price competition or prices set by law or regulation, or was a contract or subcontract for the acquisition of a commercial item; and

(2) The modification (to the contract or subcontract) is not exempted based on one of these exceptions, then the Contractor may provide information to establish that the modification would not change the contract or subcontract from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

(B) For a commercial item exception, the Contractor shall provide, at a minimum, information on prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the modification. Such information may include--

(1) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities.

(2) For market-price items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market.

(3) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The Contractor grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this clause, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the Contractor's determination of the prices to be offered in the catalog or marketplace.

(b) *Requirements for cost or pricing data.* If the Contractor is not granted an exception from the requirement to submit cost or pricing data, the following applies:

(1) The Contractor shall submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(2) As soon as practicable after agreement on price, but before award (except for unpriced actions), the Contractor shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

**Section I — CLAUSES****I-9 FAR 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)**

- (a) The Government may extend the term of this contract by written notice to the Contractor within 30 Days before the contract expires. The preliminary notice does not commit the Government to an extension.
- (b) If the Government exercises this option, the extended contract shall be considered to include this option clause.
- (c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 12 years.

**I-10. 252.234-7000 NOTICE OF EARNED VALUE MANAGEMENT SYSTEM (MAR 1998)**

- (a) The offeror shall provide documentation that the cognizant Administrative Contracting Officer (ACO) has recognized that the proposed earned value management system (EVMS) complies with the EVMS criteria of DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs, or that the proposed cost/schedule control system has been accepted by the Department of Defense.
- (b) If the offeror proposes to use a system that does not meet the requirements of paragraph (a) of this provision, the offeror shall submit a comprehensive plan for compliance with the EVMS criteria.
  - (1) The plan shall-
    - (A) Describe the EVMS the offeror intends to use in performance of the contract;
    - (B) Distinguish between the offeror's existing management system and modifications proposed to meet the criteria;
    - (C) Describe the management system and its application in terms of the 32 EVMS criteria;
    - (D) Describe the proposed procedure for administration of the criteria as applied to subcontractors; and
    - (E) Provide documentation describing the process and results of any third-party or self-evaluation of the system's compliance with EVMS criteria.
  - (2) The offeror shall provide information and assistance as required by the Contracting Officer to support review of the plan.
  - (3) The Government will review the offeror's plan for EVMS before contract award.
- (c) Offerors shall identify the major subcontractors, or major subcontracted effort if major subcontractors have not been selected, planned for application of the criteria. The prime contractor and the Government shall agree to subcontractors selected for application of the EVMS criteria.

**I-11 252.234-7001 EARNED VALUE MANAGEMENT SYSTEM (MAR 1998)**

- (a) In the performance of this contract, the Contractor shall use an earned value management system (EVMS) that has been recognized by the cognizant Administrative Contracting Officer (ACO) as complying with the criteria provided in DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs.

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(b) If, at the time of award, the Contractor's EVMS has not been recognized by the cognizant ACO as complying with EVMS criteria (or the Contractor does not have an existing cost/schedule control system that has been accepted by the Department of Defense), the Contractor shall apply the system to the contract and shall be prepared to demonstrate to the ACO that the EVMS complies with the EVMS criteria referenced in paragraph (a) of this clause.

(c) The Government may require integrated baseline reviews. Such reviews shall be scheduled as early as practicable and should be conducted within 180 calendar days after (1) contract award, (2) the exercise of significant contract options, or (3) the incorporation of major modifications. The objective of the integrated baseline review is for the Government and the Contractor to jointly assess areas, such as the Contractor's planning, to ensure complete coverage of the statement of work, logical scheduling of the work activities, adequate resourcing, and identification of inherent risks.

(d) Unless a waiver is granted by the ACO, Contractor-proposed EVMS changes require approval of the ACO prior to implementation. The ACO shall advise the Contractor of the acceptability of such changes within 30 calendar days after receipt of the notice of proposed changes from the Contractor. If the advance approval requirements are waived by the ACO, the Contractor shall disclose EVMS changes to the ACO at least 14 calendar days prior to the effective date of implementation.

(e) The Contractor agrees to provide access to all pertinent records and data requested by the ACO or duly authorized representative. Access is to permit Government surveillance to ensure that the EVMS complies, and continues to comply, with the criteria referenced in paragraph (a) of this clause.

(f) The Contractor shall require the following subcontractors to comply with the requirements of this clause:

*(Contracting Officer to insert names of subcontractors selected for application of EVMS criteria in accordance with 252.234-7000(c).)*

## **Section L — INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS OR RESPONDENTS**

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### **SECTION J – LIST OF ATTACHMENTS**

#### **J-1 CONTRACT EXHIBITS**

Exhibit A, Contract Data Requirements List  
Exhibit B, Contract Data Requirements List  
Exhibit C, Contract Data Requirements List  
Exhibit D, Contract Data Requirements List  
Exhibit E, Contract Data Requirements List  
Exhibit F, Contract Data Requirements List

#### **J-2 CONTRACT ATTACHMENTS**

Attachment (1) Operational Requirements Document, dated 02 July 2001  
Attachment (2) Design Reference Mission, dated 08 April 2003  
Attachment (3) Statement of Work *(To be provided by Offeror)*  
Attachment (4) System Specification *(To be provided by Offeror)*  
Attachment (5) Program Management Plan *(To be provided by Offeror)*  
Attachment (6) Integrated Master Schedule *(To be provided by Offeror)*  
Attachment (7) Phase II Statement of Objectives, dated 15 April 2002  
Attachment (8) Small Business Subcontracting Plan, 06 August 2002  
Attachment (9) Financial Accounting Data Sheet  
Attachment (10) Security Form DD254, 16 January 2002  
Attachment (11) System Specification Outline, dated February 2002  
Attachment (12) SBIR Insertion Plan  
Attachment (13) Department of Labor Wage Determination

#### **J-3 APPENDICES TO SECTION L**

Appendix (A) DIMHRS (Pers/Pay) WBS Price/Hours Proposal Matrices, updated per P00004  
Appendix (B) Cost Schedule Summaries, updated per P00004  
Appendix (C) Reserved  
Appendix (D) Reserved  
Appendix (E) Reserved  
Appendix (F) List of DFAS Deployment Sites  
Appendix (G) WBS Dictionary, updated per P00004  
Appendix (H) CDRL Instructions



## Section L — INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS OR RESPONDENTS

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### SECTION L – INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS OR RESPONDENTS

#### FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) SOLICITATION PROVISIONS

REFERENCE	TITLE	DATE
52.204-6	Data Universal Numbering System (DUNS) Number	JUN 1999
52.214-34	Submission of Offers in the English Language	APR 1991
52.214-35	Submission of Offers in U.S. Currency	APR 1991
52.215-1	Instructions to Offerors--Competitive Acquisition (Alt I)	MAY 2001
52.215-2	Audit and Records -- Negotiation	JUN 1999
52.215-16	Facilities Capital Cost of Money	OCT 1997
52.222-24	Pre-award On-Site Equal Opportunity Compliance Evaluation	FEB 1999

#### **L-1 FAR 52.211-2 AVAILABILITY OF SPECIFICATIONS LISTED IN THE DOD INDEX OF SPECIFICATIONS AND STANDARDS (DODISS) AND DESCRIPTIONS LISTED IN THE ACQUISITION MANAGEMENT SYSTEMS AND DATA REQUIREMENTS CONTROL LIST, DOD 5010.12-L (DEC 1999)**

Copies of specifications, standards, and data item descriptions cited in this solicitation may be obtained--

- (a) From the ASSIST database via the Internet at <http://assist.daps.mil>; or
- (b) By submitting a written request to the--

Department of Defense Single Stock Point (DoDSSP)  
 Building 4, Section D  
 700 Robbins Avenue  
 Philadelphia, PA 19111-5094  
 Telephone (215) 697-2667/2179  
 Facsimile (215) 697-1462

#### **L-2 DFARS 252.211-7001 AVAILABILITY OF SPECIFICATIONS AND STANDARDS NOT LISTED IN DODISS, DATA ITEM DESCRIPTIONS NOT LISTED IN DOD 5010.12-L, AND PLANS, DRAWINGS, AND OTHER PERTINENT DOCUMENTS (DEC 1991)**

Offerors may obtain the specifications, standards, plans, drawings, data item descriptions, and other pertinent documents cited in this solicitation by submitting a request to:

Standardization Document  
 Order Desk, Building 4, Section D  
 700 Robbins Avenue  
 Philadelphia, PA 19111-5094

Include the number of the solicitation and the title and number of the specification, standard, plan, drawing, or other pertinent document.

#### **L-3 NOTICE OF PRIORITY RATING FOR NATIONAL DEFENSE USE (SEP 90)(FAR 52.211-14)**

Any contract awarded as a result of this solicitation will be a ( ) DX rated order; (X ) DO rated order certified for national defense use under the Defense Priorities and Allocations System (DPAS) (15 CFR 700), and the Contractor will be required to follow all of the requirements of this regulation.

#### **L-4 TYPE OF CONTRACT (APR 84) (FAR 52.216-1)**

The Government contemplates award of multiple contracts for Phase I - Risk Reduction and System Specification. Phase I is a firm fixed price effort.

## Section L — INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS OR RESPONDENTS

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The Government contemplates award of a single contact for Phase II – Development and Implementation. This award will be accomplished via option exercise pursuant to Section H-10 of this solicitation. Phase II options include firm fixed price and cost-reimbursement CLINs.

### L-5 ESTIMATED EFFECTIVE AWARD DATE

For proposal purposes the estimated effective date of the contract award for Contract Phase I is 12 September 2002. The Contract Phase II estimated option exercise date, for the sole purpose of developing technical, management and cost proposals, is June 2003.”

### L-6 SERVICE OF PROTEST (AUG 96) (FAR 52.233-2)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from Space and Naval Warfare Systems Command, Attn: Ellen H. Polen, Contracting Officer, Code 02-E, OT-4, Room 1019, 4301 Pacific Highway, San Diego, CA 92110-3127.

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

### L-7 AGENCY PROTEST

If a protest is filed, Contractors are advised that the Government encourages the use of the streamlined procedures used in Agency Protests. Agency Protests provide for inexpensive, informal, procedurally simple, and expeditious resolution of protests. Additional information on Agency Protests can be found in FAR 33.103.

### L-8 SUBMISSION OF PROPOSALS

The Contractor shall submit both an electronic copy and hard copies of their proposals. Electronic copies will be in accordance with paragraph L-9. Written proposal will be in accordance with paragraph L-10, and shall take precedence over electronic proposals in the event of any conflict between submittals. The written proposal shall also take precedence over electronic proposals in the event of any timeliness issues.

### L-9 SUBMISSION OF ELECTRONIC PROPOSALS

(a) Offerors shall submit their proposals electronically to SPAWAR under the instructions contained in this provision. Offerors shall submit their signed proposals as either scanned (“TIFF”) or “PDF” documents. Electronic copies shall be submitted via the SPAWAR E-Commerce Central (SPAWAR E-CC). Offerors submitting electronic proposals (e-Proposals) shall register in the SPAWAR E-CC and select their own password in order to submit a proposal. Offerors are required to read the “Submitting a Proposal?” web page found in the SPAWAR E-CC. For information about “e-Proposal” submission, please visit the SPAWAR E-CC. The URL for the SPAWAR E-Commerce Central is <https://e-commerce.spawar.navy.mil>.

(b) Each electronic file shall also be clearly marked to show the proposal volume number, solicitation number and Offeror’s name. E-Proposal files shall not contain classified data. The Offeror’s e-proposal shall be in accordance with the requirements set forth below:

- (1) Adobe Acrobat version 4.01 or greater shall be used to create the “PDF” files.
- (2) The proposal submission files may be compressed (zipped) into one, self-extracting file entitled “PROPOSAL.EXE” using WinZip version 6.3 or greater.
- (3) In addition to the PDF file submission, a copy of the cost proposal shall be submitted in a Microsoft Excel spreadsheet format.

(c) Bids and proposals submitted electronically will be considered “late” unless the Offeror completes the entire transmission of the bid or proposal prior to the due date and time for receipt of bids or proposals. This paragraph (c) supplements the submission, modification and withdrawal of bids and proposals coverage in the FAR 52.212-1 “Instructions to Offerors--Commercial Items”, FAR 52.214-7 “Late Submissions, Modifications, and Withdrawals of Bids”, FAR 52.214-23 “Late Submissions, Modifications, Revisions, and Withdrawals of Technical Proposals

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under Two-Step Sealed Bidding”, or the FAR 52.215-1 “Instructions to Offerors--Competitive Acquisition” provision contained in the solicitation.

(d) If any updates are submitted, the Offeror shall clearly track/mark changes with change bars.

### L-10 SUBMISSION OF WRITTEN PROPOSALS

Each volume of the proposal shall be separately bound in a 3-ring binder to facilitate any subsequent change pages provided to the Government. Such changes shall be electronically incorporated in accordance with Section L-9. If any updates are submitted, the Offeror shall clearly track/mark changes with change bars. A cover sheet shall be affixed to each volume, clearly identifying the volume number, copy number, solicitation number, and Offeror's name. The volume and copy numbers shall appear on the spine of the volume's binder, to permit rapid accounting when the volume is placed in a vertical position in a storage cabinet.

The hard copies of all proposals shall be printed on 8-1/2" x 11" white bond paper with single-spaced typed lines, including figures, glossaries, tables of contents and cover sheets. Type size shall be no smaller than 10 point in the text and 6 point on drawings, figures, and tables. Times New Roman type font shall be used. Folded pages will be allowed, but each 8-1/2" x 11" equivalent area will be counted as a separate page. Margins shall be a minimum of one inch on all sides. Type size shall be no smaller than 14 point for the briefing charts used in the oral presentation. The same standard margins and font sizes shall apply to information submitted electronically.

### L-11 GENERAL INFORMATION

(a) Introduction. This Request for Proposal (RFP) is for services associated with the DIMHRS (Pers/Pay) Development and Implementation Contract.

(b) Questions. Offerors may submit questions concerning, or request clarification of, any aspect of this RFP. All questions shall be posted to the SPAWAR E-Commerce Central (SPAWAR E-CC). Comments and questions must reference RFP No. N00039-01-R-1010. Proprietary data submitted in response to this solicitation will be protected when so designated on the submitted material. Acknowledgment of receipt will not be made.

(c) Terminology. For the purposes of this document, the following terms apply:

Contract Phases – The contract contains two phases. Contract Phase I is the DIMHRS (Pers/Pay) Risk Reduction and System Specification phase. Contract Phase II is the full development, implementation, deployment and maintenance of the DIMHRS (Pers/Pay) system.

(d) Delivery Address. All written proposals shall be delivered to the following address:

SPAWAR Information Technology Center  
2251 Lakeshore Dr.,  
Building 2-4, Attn: **Maira Eiserloh (504 697-2578)**  
New Orleans, LA 70145-0001

(e) Incorporation of Proposals into Contract. The Price Proposal contained in the DIMHRS (Pers/Pay) Price Proposal Excel spreadsheet may be incorporated into the contract. The deliverables provided under subCLINs 0001AA, 0001AC, and the Statement of Work provided under subCLIN 0001AD may be incorporated into the contract if options are exercised, as shown in [Section J](#).

### L-12 SUBMISSION REQUIREMENTS

This section provides submission and format instructions for structuring the proposal. Proposals which do not comply with these instructions may be considered unacceptable. Written documentation should provide a clear commitment by the Offeror to perform in accordance with the solicitation requirements.

The proposal shall be submitted in the parts as noted in the table below. In addition, the proposals will be divided between the oral presentation slides and the additional electronic/written materials.

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SECTIONS	PAGE LIMIT	FORMAT	VOLUME
<b>Initial Phase I Submission</b> <b>May 6, 2002</b> <b>Not later than 2 P.M. CST</b>			
<a href="#">Cover Letter and Intent to Propose</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (1 Copy)	N/A
<a href="#">Organizational Conflict of Interest</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (1 Copy)	Volume I
<a href="#">Go/No Go Criteria</a>	3	<a href="#">Electronic</a> and <a href="#">Written</a> (1 Copy)	Volume I
<a href="#">Past Performance Factor</a>	15	<a href="#">Electronic</a> and <a href="#">Written</a> (5 Copies)	Volume II
<b>Second Phase I Submission</b> <b>May 16, 2002</b> <b>Not later than 2 P.M. CST</b>			
<a href="#">Cover Letter</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (1 Copy)	N/A
<a href="#">Price/Cost Proposal</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (5 copies)	Volume III
<a href="#">Oral Presentation Agenda and Slides</a>	100	<a href="#">Electronic</a> and <a href="#">Written</a> (17 copies)	Volume IV (Management) Volume V (Technical)
<a href="#">Completed RFP (Sections A-K, exhibits &amp; attachments)</a>	As provided	<a href="#">Electronic</a> and <a href="#">Written</a> (1 Copy)	Volume VI
<a href="#">Small Business Subcontracting Plan</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (1 Copy)	Volume VII
<b><a href="#">Oral Presentations</a></b> <b>May 17, 2002</b>			
<b>Phase II Submission</b> <b>December 20, 2002</b> <b>Not later than 2 P.M. CST</b>			
<a href="#">Cover Letter</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (1 Copy)	N/A
<a href="#">Revised Technical Capability and Approach Proposal</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (17 Copies)	Volume VIII
<a href="#">Revised Management Capability and Approach Proposal</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (17 Copies)	Volume IX
<a href="#">Revised Cost Proposal</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (7 Copies)	Volume X
<a href="#">Subcontracting Plan</a>	No Limit	<a href="#">Electronic</a> and <a href="#">Written</a> (1 Copy)	Volume XI
Updates to Contract Sections B-K; and Exhibits and Attachments, as required)	As Provided	Electronic and Written (1 Copy)	Volume XII

### L-13 INITIAL PHASE I SUBMISSION

As shown above, Offerors shall provide an initial submission which consists of a Cover Letter expressing the Offeror's intent to propose, a statement regarding organizational conflict of interest, Go/No Go Criteria Matrix, and Past Performance Worksheets.

#### L-13.1 Cover Letter

The Offeror shall submit a letter expressing its intent to provide a proposal for DIMHRS (Pers/Pay). The letter shall be prepared on the company's letterhead stationery and signed by an individual authorized to commit the company to the work proposed (including all representations and promises made at the oral presentations). The cover letter

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shall identify the enclosures being transmitted and shall be used only to transmit the proposal, and shall include no information that is intended to be evaluated. The cover letter shall state the RFP number and title and the name of the Offeror.

### L-13.2 Organizational Conflict of Interest

The Offeror's attention is directed to FAR Subpart 9.5 as well as [the clause in Section H-1, H-2, K-19](#) relating to organizational conflicts of interest.

(b) If applicable, All Offerors are required to submit a comprehensive OCI Mitigation Plan not later than the date for the Second Phase I submission, Thursday, May 16, 2002 at 2:00pm CST.

(c) *Note that the Government will not award a contract to an Offeror's team that has an organizational conflict of interest unless an approved mitigation plan is on file with the Contracting Officer. An approved OCI mitigation plan is a mandatory requirement for any Offeror to receive a Phase I contract award.*

(d) **There shall be no further oral communications with the PCO regarding OCI or any other procurement issues. All communications shall be submitted in writing to the PCO via the Business Opportunities page.**

(e) **Any prior assistance/approval of an individual vendor OCI plan provided by the PCO will not negate the requirement for final approval of an Offeror's comprehensive mitigation plan to be approved by the Director for Contracts.**

### L-13.3 Go/No Go Criteria Matrix

The Offeror shall complete the following matrix to demonstrate compliance with the Go/No Go Criteria.

Go/No Go Criteria Matrix		
NAME OF OFFEROR:	OFFEROR RESPONSES	
Question	Yes/No	Describe compliance
Has at least one of an Offeror's performing entities implemented a PeopleSoft HRMS native solution in a single implementation for at least one organization with at least 50,000 records?	<input type="checkbox"/> Yes  <input type="checkbox"/> No	List client and contract number. Describe how effort meets requirement. Further, provide a phone number and email address for a point of contact at the client organization.
Has the primary performing entity of an Offeror achieved a Capability Maturities Model (CMM) Level III Certification for software development capability, as evaluated by an authorized independent organization?	<input type="checkbox"/> Yes  <input type="checkbox"/> No	List current CMM evaluation, when it was achieved and provide copy of letter from evaluating organization.

### L-13.4 Past Performance Matrix

Offerors must complete the Past Performance Matrix provided below, at least for the efforts demonstrating its compliance with the Go/No Go Criteria, and any others, within the last five years, for a total of five relevant projects. Offerors are also encouraged to include in the attachment any other efforts which demonstrate its relevant past performance. Offerors should explain any past performance problems and resolutions. The Government does not consider discussions of Past Performance issues to be the initiation of "Discussions" in accordance with FAR 15.306. Offerors that are joint ventures shall provide the same information for each team member. The Government reserves the right to review CPARS and any other relevant information from any sources reasonably available to the PCO.

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<b>PAST PERFORMANCE MATRIX</b>								
(1) Prime Contract Number	(2) Prime Contract Type	(3) Program Title & Brief Description of Work Performed (incl. Unique Aspects)	(4) Prime or Sub- Contract- or	(5) Contract \$ (Award)	(6) % of Effort	(7) POC	(8) POC Telephone and Fax Numbers	(9) POC Email
(10) Self-Assessment: Address 1) quality of service provided 2) customer satisfaction 3) effectiveness of management. Discuss any problems and how you were able to resolve special problems as well as difficulties in meeting performance requirements. Identify quality awards. Offerors are encouraged to highlight their experience managing secured facilities.								

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### **L-14 SECOND PHASE I SUBMISSION**

The Offeror shall submit, as shown in the submission requirements table above, its Price/Cost Proposal, Oral Presentation Slides, and a Completed Solicitation. The Offerors may update all parts of their first Phase I submission except for their Go/No Go Criteria Matrix.

#### **L-14.1 Cover Letter**

The cover letter for the Offeror's second Contract Phase I proposal submission shall be prepared on the company's letterhead stationary and signed by an individual authorized to commit the company to the work proposed. The cover letter shall identify the enclosures being transmitted, shall be used only to transmit the proposal, and shall include no information that is intended to be evaluated. The cover letter shall state the RFP number and title and the name of the Offeror. The letter shall acknowledge that it transmits an offer in response to the RFP, providing a certification statement that indicates the Offeror's compliance with all solicitation requirements, or indicates all exceptions the Offeror takes to any solicitation requirements, or requests for waivers and deviations. Exceptions, waivers, and deviations shall be attached to the cover letter. The Offeror shall provide a full explanation for all exceptions taken to the solicitation. Each exception shall be referenced to the applicable paragraph or exhibit line item number. The cover letter shall indicate the proposal's validity date in accordance with the [Proposal Validity Date](#) clause in this section. If the Offeror restricts its proposal, as permitted by FAR 52.215-12, it shall so indicate with a legend on all proposal pages.

#### **L-14.4 Price/Cost Proposal**

##### **L-14.4.1 Phase I Fixed Price Proposal**

The Offeror shall fill in the columns for CLIN 0001 in Appendix A.

##### **“L-14.4.2 Phase II Cost and Price Proposal**

The Cost and Price proposal shall cover all aspects of the proposed effort except for CLINs 0001 and 0002.

For CLINs 0503, 0603, 0703, 0803, 0903 and 1003, the Offeror shall also fill in the appropriate columns in Appendix A. The Offeror shall also provide rationale for their proposed fixed - price and an explanation of how their proposal meets the requirements of CLINs 0503, 0603, 0703, 0803, 0903 and 1003 as defined in Section C of this solicitation. For any software, which will be provided by the Offeror, the Proposal will include a brief technical description, functional applicability, implementation approach and any salient information pertaining to licenses of the third-party product or contractor unique software. For the corresponding software manuals, the name of each manual shall be included.

The Offeror shall not assume that the Government already has licenses in place or that licenses with one Government agency automatically convey to the DIMHRS Pers/Pay program.

Data contained in the Cost Proposal shall be consistent with data contained in the Technical, Past Performance and Management sections of their proposal. Inconsistencies between the proposals may result in a lower overall evaluation of the total proposal. The cost data shall support the level of resources required to complete the requirements of this solicitation regardless of the Offeror's proposed price.

On the first page of this section, the Offeror shall state that the Cost Proposal has been prepared completely in accordance with the terms and conditions of the solicitation. However, if exceptions are taken, they shall clearly set forth in the cover letter and shall be explained by the Offeror with the understanding that such exceptions may render the Offeror's proposal unacceptable to the Government.

The Offeror shall provide a breakdown of cost for each contract line item by cost element structure in accordance with the DIMHRS (Pers/Pay) WBS Price Proposal Matrix as provided in Appendix A. Offerors shall fill in all open blocks in Appendix A even if that figure is \$0. Note also that the matrix may be expanded by adding SubCLINs or lower level WBS items, as required. If the Offeror chooses to propose an alternative WBS structure, the proposed WBS structure shall map to the Appendix A WBS structure. Offerors will not be penalized for proposing an alternative WBS structure. In order to assist Offerors in their proposals, the Government has provided a WBS

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Dictionary and the Program WBS for informational purposes. The WBS Dictionary (Appendix G) provides the Government's definition of each WBS element. The Program WBS provides an overview of how the effort covered under this solicitation fits into the entire DIMHRS (Pers/Pay) program.

The Offeror shall provide a general narrative support for breakdown of costs. At a minimum, the Offeror shall address separately the following areas to support proposed contract costs.

- a. **Estimating Methodology.** Explain, in sufficient detail to demonstrate cost realism in accordance with FAR 15.404 – 1 (d) and the methodology used to estimate each element of cost (e.g., labor, material, etc.). Enough data shall be provided so that an independent cost realism analysis and verification can be performed.

In all cases where cost estimates are based on past experience, the Offeror shall identify the past experience, explain how the past experience relates to the current effort, and explain how cost data available from that experience were adapted to the current effort. If the past experience concerns a specific hardware or software developed item acquired in the past, the Offeror shall identify the item, applicable dates, item cost, and size or lines of code.

In all cases where cost estimates are based upon learning/ improvement curve applications, the Offeror shall identify the specific area subject to learning, the curve hypothesis (unit or cumulative) and the slope of the curve as a percent. Also, the Offeror shall explain what data were used to develop the slope, how these data relate to the current effort, and how entry into the learning curve was attained.

In all cases where cost models are employed, the Offeror shall identify the model, provide all model inputs and outputs, and a discussion of how outputs were adjusted or adapted to the cost elements being estimated.

- b. **Indices and Rates.** Identify by year the inflation rates (%) and indices used in the price proposal, with rationales for their selection. A statement as to whether labor and burden rates are Government approved bidding rates, or, if not, the basis on which these rates were established shall be furnished. A list of labor rates and classifications by departments and time periods as used in the price proposal shall be included. Information as to the various indirect expense rates used in the Offeror's proposal, together with the effective periods, the direct base against which they are applicable, and the status of Government review and approval of these rates, shall be provided. A schedule shall be submitted which summarizes engineering, material handling, G&A, and any other applicable burden rates by periods or years.
- c. **Accounting System.** Provide information as to the Offeror's fiscal year, and a general description of their cost accounting system. The same information shall be provided for major Subcontractors over \$250,000.
- d. **Competitive Time.** If an Offeror decides to include competitive time (i.e., uncompensated overtime) in the proposal, a copy of the corporate policy/ procedure addressing competitive time must be furnished with the proposal. Additionally, the Offeror must provide documentation of the DCAA/DCAS approval of this policy/ procedure. See L-20 for additional information on uncompensated overtime.
- e. **Subcontracts.** A list of contemplated subcontracts, types, and values shall be identified. For each subcontract, provide an analysis of the methodology used by the Subcontractor to



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estimate cost. Also, the Offeror shall show how the subcontract effort relates to the overall contract effort and why the subcontract cost can be considered reasonable. The Offeror shall identify cost of licenses or data rights agreements.”

### **L-14.4.3 Completed Solicitation**

Offerors shall include a signed signature page suitable for countersignature by the Contracting Officer. The signed offer shall contain the proposed price for CLINs 0001 through 1053, which includes completed Sections A through K and all Exhibits and Attachments. The completed solicitation should have all fill-ins completed.

### **L-14.5 Small Business Subcontracting Plan**

In accordance with FAR 19.7 and FAR 52.219-9 Alternate II, submit a Small Business Subcontracting Plan with your proposal. Failure to submit and negotiate a subcontracting plan acceptable to the Contracting Officer shall make the offer ineligible for award of a contract. A subcontracting plan is not required from small business concerns.

The following overall Navy Subcontracting Goals are provided to assist in the development of your Subcontracting Plan:

Small Business – 23%

Small Disadvantaged Business – 5%

Woman Owned Small Business – 5%

HUB ZONE – 2%

Veteran Owned Small Business – 3%

Service Disabled Veteran Owned Small Business – 3%

Pursuant to Public Law 99-661, Congress has assigned to the Department of Defense, a goal of 5.0% for contract awards to small disadvantaged business. Accordingly, Offerors are advised to ensure that the percentage goal expressed in their respective subcontracting plans for small disadvantaged businesses is 5.0% at a minimum. All other goals are provided as a baseline for Offerors in preparing their subcontracting plans. Offerors are to tailor the subcontracting plan and propose subcontracting goals for this specific requirement. Any Offeror proposing a subcontracting plan that does not meet the above goals in any category must clearly explain why the goal is not being proposed and what actions the contractor is undertaking to maximize small business subcontracting goals in an attempt to bring the percentages to or above the Navy goals. (Note: When preparing the small business and small disadvantaged business subcontracting plan, Offerors are reminded to review Section I clauses; FAR 52.219-9 and FAR 52.219-16.)

### **L-14.6 Revised Past Performance**

Offerors may update the Past Performance Matrix provided in Section L-13.4.

## **L-15 ORAL PRESENTATIONS**

### **L-15.1 General Information**

**The Offeror shall prepare and deliver an Oral Presentation that will be videotaped by the Government. The Q&A session is considered by the Government as part of the Oral Presentation and will also be videotaped.**

Oral Presentations shall take place at the designated Government provided facility, in or near New Orleans, Louisiana. The location will be disclosed by the Contracting Officer, May 7, 2002, and the order of the presentations will be determined on May 7, 2002 by random selection by the Contracting Officer.

The Offeror shall identify the authors of the presentation by name and association with the Offeror. Attendance at the oral presentation and question and answer session shall be limited to the Offeror's program management/technical personnel, all of whom must be materially involved in the program. The principal presenter shall be the Program Manager who will be assigned to this program. All personnel may participate in the presentation and question and answer session. The maximum number of Offeror personnel permitted to be present during oral presentations shall be eight (8). The Offeror shall provide oral presentation slides without any cost and/or price figures.

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The Offeror will be given approximately one hour to set up. No equipment will be provided other than a screen.

### L-15.2 Agenda

The Oral Presentations shall begin approximately 7:30 A.M. Central Standard Time. There will be a one-hour lunch break. There will also be at least one fifteen-minute break following every sixty minutes of presentation. After opening remarks by the Government, the Offeror will be given up to **six hours** to address Management and Technical Capability Approach Factors. The schedule will be as follows:

Oral Presentation Schedule	
Offeror Set-up.....	One Hour
Government Introduction.....	7:30 A.M.
Management Capability and Approach Presentation by Offeror.....	Three Hours
Lunch.....	One Hour
Technical Capability and Approach Presentation by Offeror.....	Three Hours
Question and Answer.....	Two Hours

The Contracting Officer or his or her representative will be responsible for ensuring the schedule is met and that all Offerors are given the same opportunity to present. It is intended that the question and answer period will not constitute discussions as described in FAR Part 15.306. The entire question and answer period will be approximately 2 hours. The Offeror shall address the factors as follows:

#### Factor 1: Past Performance Factor

Not Applicable

#### Factor 2: Program Management Factor

The Offeror shall provide information sufficient to convince the Government that it has the capability to manage a project of the size, scope, and complexity of DIMHRS (Pers/Pay). The Offeror shall address the following:

##### Subfactor 1: Management Capability

- Plans, approaches, tools and techniques used for scheduling, configuration management, quality management, deployment and logistics. Where appropriate provide examples of when the plans, approaches, tools and techniques have been used in the past.
- Proposed Key Personnel and associated knowledge, skills, and experience specifically related to managing DIMHRS (Pers/Pay). The proposal shall provide the approximate percentage of time the person will be dedicated to the program. The proposal shall also contain security clearances for key personnel.
- Proposed Project Management and Project Functional Organization and associated capabilities
- Approach to teaming with the Government in an IPT structure
- Approach to managing risk
- Earned Value Management Approach and Capabilities
- Proposed approach to integrated data environment (IDE)

##### Subfactor 2: Schedule

- Approach to development of an Integrated Master Schedule for Phase II that meets or exceeds Program requirements. The schedule shall include proposed incremental deliveries for each DIMHRS (Pers/Pay) deliverable (CLINs 0100, 0200, 0201 and 0202) The slides should also contain a filled-in Implementation Schedule, which is contained in Section F-1 of this solicitation.
- Approach and demonstrated capability managing to schedule

##### Subfactor 3: Small Business Subcontracting Plan

- Overview of Small Business Subcontracting plan

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### Subfactor 4: SBIR Insertion Plan

The Offeror shall provide an SBIR Insertion Plan. At a minimum, the Offeror shall:

- Provide a description of how it plans to implement competitive sourcing of SBIRs
- Define DIMHRS (Pers/Pay) subsystems that offer opportunities for advanced technology insertion.
- Describe which of these subsystems will be awarded to another firm that has already been selected through a competitive process.
- Which subsystems the Offeror will award to a source that will be selected in the future through a competitive process.
- Adaptability through such features as open-system architecture
- Technology upgrade cycles

Information on the SBIR program can be found at <http://www.acq.osd.mil/sadbu/sbir/>.

### Factor 3: Technical Capability and Approach Factor

The Offeror shall provide information sufficient to convince the Government that it has the technical expertise to successfully accomplish a project of the size, scope, and complexity of DIMHRS (Pers/Pay). The Offeror shall address the following:

#### Subfactor 1: Technical Capability

- Proposed Key Personnel and associated knowledge, skills, and experience specifically related to the technical expertise required by DIMHRS (Pers/Pay)
- Plan for development of a system specification for DIMHRS (Pers/Pay) that is traceable to the ORD and DRM

#### Subfactor 2: Technical Approach

- The Offeror shall provide a description of plans, approaches, tools and techniques it will use for Design, Requirements Traceability, Development, Implementation, and Testing of PeopleSoft HRMS, including the following:
  - Database Engine Choice and Rationale
  - Explanation and rationale for its proposed data mart functionality and brokering mechanism to provide a single, standard interface for all systems external to DIMHRS (Pers/Pay).

### Factor 4: Price/Cost Factor

No oral presentation will be given on price/cost information (direct rates, indirect rates, prices, etc.), however, the Offeror shall be prepared to address price/cost during the question and answer period.

## L-16 PHASE II SUBMISSION

The Offeror shall submit, as shown in the submission requirements table above, a Cover Letter and a revised proposal as shown below.

### L-16.1 Phase II Cover Letter

The cover letter for the Offeror's Phase II submission shall be prepared on the company's letterhead stationary and signed by an individual authorized to commit the company to the work proposed. The cover letter shall identify the enclosures being transmitted. The cover letter shall state the RFP number and title and the name of the Offeror. The letter shall acknowledge that it transmits an offer in response to the RFP, providing a certification statement that indicates the Offeror's compliance with all solicitation requirements, or indicates all exceptions the Offeror takes to any solicitation requirements, or requests for waivers and deviations. Exceptions, waivers, and deviations shall be attached to the cover letter. The Offeror shall provide a full explanation for all exceptions taken to the solicitation. Each exception shall be referenced to the applicable paragraph or exhibit line item number. The cover letter shall indicate the proposal's validity date in accordance with the [Proposal Validity Date](#) clause in this section. If the

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Offeror restricts its proposal, as permitted by FAR 52.215-12, it shall so indicate with a legend on all proposal pages.

### **L-16.2 Revised Technical Capability and Approach Proposal**

#### **Subfactor 1: Technical Capability**

The Offeror shall provide, as its proposal, the deliverable required under subCLIN 0001AA.

#### **Subfactor 2: Technical Approach**

The Offeror shall provide, as its proposal, the deliverables required under subCLIN 0001AD.

### **L-16.3 Revised Program Management Proposal**

#### **Subfactor 1: Management Capability**

The Offeror shall provide, as its proposal, the Program Management Plan provided as a deliverable under subCLIN 0001AC.

#### **Subfactor 2: Schedule**

The Offeror shall provide, as its proposal, the Integrated Master Schedule provided as a deliverable under subCLIN 0001AC. The Contractor shall also provide an updated implementation schedule for Section F-1 of this solicitation.

#### **Subfactor 3: Small Business Subcontracting Plan**

The Offeror shall update its Small Business Subcontracting Plan provided for Phase I. In accordance with FAR 19.7 and FAR 52.219-9 Alternate II, submit a Small Business Subcontracting Plan with your proposal. Failure to submit and negotiate a subcontracting plan acceptable to the Contracting Officer shall make the offer ineligible for award of a contract. A subcontracting plan is not required from small business concerns.

The following overall Navy Subcontracting Goals are provided to assist in the development of your Subcontracting Plan:

Small Business – 23%

Small Disadvantaged Business – 5%

Woman Owned Small Business – 5%

HUB ZONE – 2%

Veteran Owned Small Business – 3%

Service Disabled Veteran Owned Business – 3%

Pursuant to Public Law 99-661, Congress has assigned to the Department of Defense, a goal of 5.0% for contract awards to small disadvantaged business. Accordingly, offerors are advised to ensure that the percentage goal expressed in their respective subcontracting plans for small disadvantaged businesses is 5.0% at a minimum. All other goals are provided as a baseline for offerors in preparing their subcontracting plans. Offerors are to tailor the subcontracting plan and propose subcontracting goals for this specific requirement. Any offeror proposing a subcontracting plan that does not meet the above goals in any category must clearly explain why the goal is not being proposed and what actions the contractor is undertaking to maximize small business subcontracting goals in an attempt to bring the percentages to or above the Navy goals.

(Note: When preparing the small business and small disadvantaged business subcontracting plan, offerors are reminded to review Section I clauses; FAR 52.219-9 and FAR 52.219-16.)

#### **Subfactor 4: SBIR Insertion Plan**

The Offeror shall provide an updated SBIR Insertion Plan. At a minimum, the Offeror shall:

- Provide a description of how it plans to implement competitive sourcing of SBIRs
- Define DIMHRS (Pers/Pay) subsystems that offer opportunities for advanced technology insertion.
- Describe which of these subsystems will be awarded to another firm that has already been selected through a competitive process.

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- Which subsystems the Offeror will award to a source that will be selected in the future through a competitive process.
- Adaptability through such features as open-system architecture
- Technology upgrade cycles

Information on the SBIR program can be found at <http://www.acq.osd.mil/sadbu/sbir/>.

### L-16.4 Revised Cost Proposal

The Offeror shall provide an updated cost and pricing proposal based on its knowledge gained during the period of performance of CLINS 0001 and 0002. The updated proposal shall contain a comprehensive and detailed narrative support of the breakdown in costs in accordance with the RFP Appendix A, DIMHRS (Pers/Pay) Work Breakdown Structure (WBS) Price Proposal Matrix. In addition, the Offeror shall breakdown their costs to reflect the proposed implementation schedule included in Section F-1 of the Offeror's Phase II proposal. The following is additional instructions for filling out the WBS Price Proposal Matrix.

- (1) When filling out the WBS Price Proposal Matrix, it must be completely filled out. If a WBS element or sub-element is not applicable, insert **N/A** in that cell. If a WBS element is not separately priced, enter **NSP** in the cell. If the WBS element value is zero, then enter **\$0**.
- (2) Indented WBS elements need to roll up to the next level of indenture. A WBS is designed so that subordinate (or child) elements are indented under the higher (or parent) elements, and the values of those subordinate elements sum up to the next higher level.
- (3) Offerors may add additional sub-elements to the WBS Price Proposal Matrix if they believe it more accurately reflects their cost structure used in proposing Phase II. However, if the Offerors choose to add sub-elements, a summary describing the additions must be provided.
- (4) Offerors must add a column to the WBS Price Proposal Matrix that cross-references the cost structure to the Government's WBS column.

The following information is required for all subcontracts over \$550,000 which may be provided in a sealed package:

- Name of Subcontractor
- Address
- Point of contact
- Phone Number
- Fax Number
- E-mail address
- Labor Rates
- Overhead Rate
- G & A
- Cost of Money (if applicable)
- Any other rates and factors used in costing this proposal

The contractor shall complete two spreadsheets, provided as Appendix B, Attachment 1 Cost Plus Award Fee CLINS and Attachment 2, Cost Plus Fixed Fee CLINS for providing a summary of each CLIN to be submitted with the cost proposal (volume X) for Phase II.

Additionally, the Offeror shall follow the same instructions as provided in the cost proposal instructions for the Second Phase I submission (L-14.4.2).

#### L-16.4.2 Life Cycle Cost Estimate (LCCE)

The updated cost proposal shall also contain a LCCE. The Offeror shall provide an estimate of operation and support costs associated with the proposed design. The dollar values, cost estimates, and supporting exhibits

Conformed through P00005

## Section L — INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS OR RESPONDENTS

requested here shall be to the level of detail used by the system design team in defining the proposed design. Therefore, the Offeror should provide cost information relevant to the proposed design and an assessment of cost risks/uncertainty.

The operation and support cost estimates shall be based upon the following assumptions:

- a. Full operating capability will be achieved in the 4<sup>th</sup> Quarter of Fiscal Year 2006.
- b. The DIMHRS system shall operate for twenty years after being placed into operational service.

The preliminary estimate of support costs shall be comprehensive and the rationale on which it is based shall be fully documented. For example, the Offeror shall thoroughly document the basis of the cost estimate for software upgrades and scheduled maintenance, citing specific vendor quotes where appropriate or providing thorough discussions relating to the applicability of internal data sources where they form the basis of the Offeror's estimate, including Mean Time Between Operational Mission Failures (MTBOMF) and Mean Corrective Maintenance Time Of Mission Failures (MCMTOMF) values. The operation and support cost estimates shall be summarized in the format shown in Table 1.

**Table 1 - Operations and Support Cost**

		<b>FY04</b>	<b>FY05</b>	<b>FY(06+n)</b>	<b>FY25</b>	<b>TOTAL</b>
1.0	<b>Operational Support consisting of:</b>					
1.01	<b>Unit Level Contractor</b>					
	<b>Labor</b>	\$	\$	\$	\$	\$
	<b>Material</b>	\$	\$	\$	\$	\$
	<b>TOTAL</b>	\$	\$	\$	\$	\$
	<b>Organic</b>					
	<b>Labor</b>	\$	\$	\$	\$	\$
	<b>Material</b>	\$	\$	\$	\$	\$
	<b>TOTAL</b>	\$	\$	\$	\$	\$
	<b>Total Organic &amp; Contractor</b>	\$	\$	\$	\$	\$
1.02	<b>Depot Level Contractor</b>					
	<b>Labor</b>	\$	\$	\$	\$	\$
	<b>Material</b>	\$	\$	\$	\$	\$
	<b>TOTAL</b>	\$	\$	\$	\$	\$
2.0	<b>Other Contractor Support</b>	\$	\$	\$	\$	\$
3.0	<b>Training</b>					
3.01	<b>Operator Training</b>	\$	\$	\$	\$	\$
3.02	<b>Maintainer Training</b>	\$	\$	\$	\$	\$
	<b>TOTAL</b>	\$	\$	\$	\$	\$
4.0	<b>Data/Drawings Revisions</b>	\$	\$	\$	\$	\$
	<b>GRAND TOTAL</b>	\$	\$	\$	\$	\$

For Table 1, Operations and Support Costs, it is the Government's intent to evaluate the Life Cycle Costs of the proposed solution for DIMHRS (Pers/Pay) for the life cycle FY 04 through FY 25. Relevant items from the table for this evaluation include: 1.01 Unit Level Contractor (Labor and Materials); 2.0 Other Contractor Support; and 3.0 Training, including 3.01 and 3.01. Other items from that table may not be applicable to this program. However, if applicable to the proposed solution, the other items should be included in the offeror's proposal.

## **Section L — INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS OR RESPONDENTS**

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Labor costs should include all labor costs in the proposal (during the LCCE life cycle), including development, deployment, sustainment, and emergent requirements. Materials should include all material costs expected to be incurred by the Government to support the proposed solution for DIMHRS (Pers/Pay) for the duration of the life cycle, including development hardware, Tier I and Tier II hardware, maintenance and upgrades (or technical refresh), Tier I and Tier II software maintenance, and any other material costs proposed as an other direct cost applicable through the life cycle.

### **L-17 PROPRIETARY DATA**

Proprietary data contained in the proposal shall be specifically identified. Such information shall be listed and identified on a separate page and made an attachment to the cover letter for the second Phase I submission and the Phase II submission.

### **L-18 SECURITY CLASSIFICATION**

The proposal shall be unclassified.

### **L-19 PROPOSAL VALIDITY DATE**

The Offeror's Phase I and Phase II proposals shall be valid for 180 days after receipt by the Government.

### **L-20 52.237-10 IDENTIFICATION OF UNCOMPENSATED OVERTIME (OCT 1997)**

(A) definitions. As used in this provision --

Uncompensated overtime means the hours worked without additional compensation in excess of an average of 40 hours per week by direct charge employees who are exempt from the fair labor standards act. Compensated personal absences such as holidays, vacations, and sick leave shall be included in the normal work week for purposes of computing uncompensated overtime hours.

Uncompensated overtime rate is the rate that results from multiplying the hourly rate for a 40-hour work week by 40, and then dividing by the proposed hours per week. For example, 45 hours proposed on a 40-hour work week basis at \$20 per hour would be converted to an uncompensated overtime rate of \$17.78 per hour ( $\$20.00 \cdot 40$  divided by 45 = \$17.78).

(b) For any proposed hours against which an uncompensated overtime rate is applied, the offeror shall identify in its proposal the hours in excess of an average of 40 hours per week, by labor category at the same level of detail as compensated hours, and the uncompensated overtime rate per hour, whether at the prime or subcontract level. This includes uncompensated overtime hours that are in indirect cost pools for personnel whose regular hours are normally charged direct.

(c) The offeror's accounting practices used to estimate uncompensated overtime must be consistent with its cost accounting practices used to accumulate and report uncompensated overtime hours.

(d) Proposals that include unrealistically low labor rates, or that do not otherwise demonstrate cost realism, will be considered in a risk assessment and will be evaluated for award in accordance with that assessment.

(e) The offeror shall include a copy of its policy addressing uncompensated overtime with its proposal.

### **L-21 UNCOMPENSATED OVERTIME AND PROFESSIONAL EMPLOYEES**

Proposals that include hourly rates for exempt employees which are based on more than a 2,080 work-year shall be identified as Uncompensated Overtime as defined in the FAR 52.237-10 "Identification of Uncompensated

## **Section L — INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS OR RESPONDENTS**

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Overtime” provision in this solicitation and evaluated in accordance with the “Uncompensated Overtime Evaluation” provision in Section M. Offerors are advised that the above plan will be used regardless of the methodology proposed or name given to the compensation plan (i.e., Total Time Accounting, Competitive Time Accounting, Compensated Overtime, or Standard Workweek). If an Offeror decides to include uncompensated effort in their proposal, the following requirements shall be met and reflected in the proposal:

- (a) The Offeror must have an established cost accounting system, approved by the Administrative Contracting Officer at the Defense Contract Management Agency (DCMA) that records all hours worked, including uncompensated hours, for all employees, and regardless of contract type. Failure to meet this requirement may result in the proposal being removed from consideration for contract award.
- (b) Uncompensated hours, for all employees and regardless of contract type, shall be included in the Offeror’s base for allocation of indirect costs and meet the requirements of Cost Accounting Standard (CAS) 418 “Allocation of Direct and Indirect Costs.”
- (c) The proposed shall clearly identify hours of uncompensated effort proposed by labor category.
- (d) The proposal shall clearly identify the amount of uncompensated effort that will be performed without supervision and without support personnel and shall assess the productivity of such effort. Additionally, clearly identify the means by which the Offeror controls or schedules uncompensated overtime for its employees as well as where the uncompensated effort will be accomplished.
- (e) The proposal shall describe the extent to which employees are required or encouraged to perform uncompensated effort and the impact the use of uncompensated effort has on work effectiveness.
- (f) The proposal shall include a copy on the corporate policy addressing the uncompensated effort.
- (g) The proposal shall include a separate, complete, cost breakdown, to the same level of detail as the breakdown supporting the cost proposal. The breakdown shall include direct labor rates for all direct labor categories based on the division by 2,080 of exempt employees actual annual salary, to represent a standard (as deemed by Fair Labor Standards Act) 40-hour week or 2,080 hour standard year. In addition, the breakdown shall include overhead rates and other costs based on employees working a standard 40-hour workweek or a 2,080 hour standard year. IT IS THIS COST BREAKDOWN THAT WILL BE USED TO PERFORM THE COST REALISM PORTION OF THE PROPOSAL EVALUATION.
- (h) The requirements stated in paragraph (a) through (g) above shall be met for each subcontract which has uncompensated effort included in the proposal.

### **L-22 RIGHTS IN COMPUTER SOFTWARE--LICENSE AGREEMENT**

Any contract resulting from this solicitation will be governed by the DFARS 252.227-7014 “Rights in Noncommercial Software and Noncommercial Computer Software Documentation” clause, included in Section I of this solicitation. The DFARS clause applies unless the successful Offeror adequately asserts as part of the proposal that (1) the computer software and computer software documentation deliverable under the contract is a commercial product as defined in paragraph (a)(1) of said clause, and (2) a proposed Commercial License Agreement, with terms and conditions, is consistent with normal industry/Government practices.



## Section M – EVALUATION FACTORS FOR AWARD

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### SECTION M - EVALUATION FACTORS FOR AWARD

#### M-1 GENERAL

This procurement is a two-phase contract consisting of a risk reduction and system specification phase (Phase I) followed by an option exercise for the development, implementation, deployment and sustainment of DIMHRS (Pers/Pay) (Phase II).

As outlined in this section, the Government intends to award contracts to the responsible Offeror whose proposal provides the overall best value to the Government, considering technical, cost, and other factors. Multiple firm fixed price contracts will be awarded for Phase I. Phase I offers are not expected to exceed \$1,000,000. The Phase I Contractors will submit a revised proposal for Phase II options. ***Only a Contractor receiving a Phase I award will be considered for the award of a Phase II option. Only one Contractor will be selected for the Phase II contract award.***

The Government intends to make its award selections for both Phase I and Phase II without discussions. Therefore, the Offeror's proposal is considered to be the Offeror's best effort. It is intended that oral presentations will not be considered formal discussions.

Initial determination of eligibility for continued evaluation and subsequent award will be in accordance with Section M-3. Evaluation of Phase I will be conducted in accordance with Section M-4. Evaluation of Phase II will be conducted in accordance with M-5. Sections M-6, M-7 and M-8 are applicable to both phases.

#### M-2 USE OF CONTRACTOR SUPPORT

The following firm may assist the Government in an administrative support capacity only during the proposal evaluation process: Booz Allen Hamilton and Systems Engineering and Security (SES). A non-disclosure agreement will be executed with each Booz Allen Hamilton and SES employee involved in the administrative support capacity. If an Offeror has any objection to this firm assisting during the evaluation process, it must notify the Contracting Officer of the objection as well as reasoning behind the objection via e-mail [wallaced@cnrf.nola.navy.mil](mailto:wallaced@cnrf.nola.navy.mil) no later than the Initial Phase I submission.

#### M-3 GO/NO GO CRITERIA

a. Offerors must demonstrate experience implementing PeopleSoft HRMS-based solution for at least one organization with greater than 50,000 records.

b. Offerors must demonstrate a minimum of CMM Level III Certification for software development capability, as evaluated by an authorized independent organization, for a software development.

***In order to be considered for award,*** Offerors must meet both of these initial requirements, which will be evaluated on a pass/fail basis. ***A rating of "fail" in any of these areas shall render the Offeror ineligible for continued evaluation and subsequent award. Those who do not comply will be notified in writing by the Contracting Officer.***

#### M-4 PHASE I EVALUATION FACTORS

The following factors will be evaluated when selecting the Offeror that provides the best value to the Government for Phase I. The factors are as follows:

- Factor 1:** Past Performance
- Factor 2:** Program Management
  - Subfactor 1:** Management Capability
  - Subfactor 2:** Schedule
  - Subfactor 3:** Small Business Subcontracting Plan
  - Subfactor 4:** SBIR Insertion Plan
- Factor 3:** Technical Capability and Approach
  - Subfactor 1:** Technical Capability
  - Subfactor 2:** Technical Approach
- Factor 4:** Price Reasonableness/Cost Realism

## Section M – EVALUATION FACTORS FOR AWARD

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Factors 1, 2, and 3 are listed in descending order of importance (1 is more important than 2, and 2 is more important than 3). All evaluation factors other than cost and price, when combined, are significantly more important than cost and price.

### **M-4.1 Past Performance Factor Evaluation**

The Government will evaluate the extent to which the Offeror has demonstrated its ability to successfully perform those contracts similar in size, scope, and complexity to DIMHRS (Pers/Pay) as well as all other contract efforts within the past five years.

### **M-4.2 Program Management Factor Evaluation**

Subfactors 1 and 2 are equal, but each is more important than Subfactor 3. Subfactors 1, 2 and 3 are each more important than Subfactor 4.

### **M-4.3 Subfactor 1: Management Capability (all elements of this subfactor are of equal importance)**

The Government will evaluate the following for this subfactor:

- Comprehensiveness of proposed plans and approaches, including the likelihood of successful program management to meet the requirements in the ORD and DRM, as well as the objectives outlined in the SOO
- Relevance of the qualifications and experience of the key personnel, and associated likelihood of successful management to meet the solicitation requirements.
- How well teaming and IPT approach demonstrates ability to resolve conflicts and issues at appropriate levels, and provides for open communication with the Government
- Extent to which the proposed risk management approach is likely to identify and mitigate risk to the program
- Extent to which the proposed Earned Value Management Approach is established, and has the capability to successfully manage cost and schedule over the life of the contract
- Extent to which proposed integrated data environment rationale sufficiently supports proposal.

#### **M-4.3.1 Subfactor 2: Schedule (all elements of this subfactor are of equal importance)**

The Government will evaluate the following for this subfactor:

- The extent to which the proposed schedule approach is substantiated in light of the Contractor's resources
- Its demonstrated ability to successfully meet the required delivery dates as stated in Section F of the solicitation
- Validation and rationale for proposed schedule and proposed incremental delivery schedule contained in [Section F](#).

#### **M-4.3.2 Subfactor 3: Small Business Subcontracting Plan**

The Small Business Subcontracting Plan provided by the Offeror under the clause in Section L-6 titled Small Business Subcontracting Plan proposal will be evaluated. An Offeror that proposes a higher percentage, complexity level, and variety of participation by small business, HUBZone small business, small disadvantaged business, women-owned small business and veteran-owned business concerns will receive a higher rating on this sub-factor. An Offeror's efforts to develop additional opportunities for small business, HUBZone small business, small disadvantaged business, women-owned small business, and veteran owned small business concerns will also be evaluated.

#### **M-4.3.3 Subfactor 4: SBIR Insertion Plan (all elements of this subfactor are of equal importance)**

The Government shall evaluate the following:

- Degree SBIR insertion plan enhances competitive sourcing of SBIRs
- Relevance to DIMHRS (Pers/Pay) goals of proposed subsystems for technology insertion.
- Degree proposed subsystems for technology insertion promote competition to SBIRs.

## Section M – EVALUATION FACTORS FOR AWARD

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- Degree proposed technology insertion is adaptable
- Relevance of technology upgrade cycles to DIMHRS (Pers/Pay) program goals.

### **M-4.4 Technical Capability and Approach Factor Evaluation**

Subfactor 1 is more important than Subfactor 2.

#### **M-4.4.1 Subfactor 1: Technical Capability (all elements of this subfactor are of equal importance)**

The Government will evaluate the following:

- Relevance of the qualifications and experience of proposed key personnel, and associated technical expertise to successfully meet the solicitation requirement.
- Extent to which the proposed plan demonstrates likelihood of successful development of the system specification that is traceable to the ORD and DRM

#### **M-4.4.2 Subfactor 2: Technical Approach (all elements of this subfactor are of equal importance)**

The Government will evaluate the following:

- Comprehensiveness of proposed approach, and likelihood of successfully meeting the solicitation requirements
- Proposed database is scalable and flexible to meet the record requirements specified in the ORD. Rationale sufficiently supports proposal.
- Proposed data mart functionality and brokering mechanism is scalable and flexible to meet interface requirements in the ORD and DRM. Rationale sufficiently supports proposal.
- Adequacy of data rights to be provided by the offeror will be evaluated in accordance with the Government's needs for operation, maintenance and upgrading of the DIMHRS (Pers/Pay) System.

### **M-4.5 Price/Cost Factor Evaluation**

Evaluation of option costs does not obligate the Government to exercise the options.

The firm fixed priced CLINs will be evaluated for price reasonableness. The Government budgeted CLIN 0001 at \$1,000,000 for each contract. The Government reserves the right to consider an Offeror's proposal unexecutable if the proposal for CLIN 0001 exceeds \$1,000,000. In addition, the Government will review the Offeror's proposal for CLINs 0503, 0603, 0703, 0803, 0903, and 1003 to determine if the Offeror's proposal meets the requirements for those CLINs defined in Section C.

For the Cost Reimbursement CLINs, a cost realism analysis will be performed. Proposed costs may be adjusted, for purposes of evaluation, based upon the results of the Cost Realism evaluation. When this cost realism analysis is performed, the resulting realistic cost estimate shall be used in the evaluation. The purpose of the cost realism evaluation shall be (a) to verify the Offeror's understanding of the requirements; (b) to assess the degree to which the cost/price proposal reflects the approaches and/or risk assessments made in the technical proposal as well as the risk that the Offeror will provide the supplies or services for the offered prices/cost; and (c) assess the degree to which the cost included in the cost/price proposal accurately represents the work effort included in the technical proposal, and/or other cost related information available to the Contracting Officer. An adjustment may be included for evaluation purposes as part of the Government's determination of the most probable costs to be incurred under the contract.

The evaluated cost represents the Government's determination of the most probable costs to be incurred under the contract. Each Offeror's evaluated cost (to include any subcontract effort) shall be computed by considering among other things:

- (a) The Government's independent cost estimate and historical data (if available).
- (b) A comparison of the Offeror's identified staffing in the cost volume with that presented in the Offeror's proposed key personnel, and staffing relationship to solicitation requirements in order to assess the degree to which the identified cost accurately represents the work effort required to meet the contract requirements. The Government will verify that the labor hours/mix proposed are as required by the solicitation.

## Section M – EVALUATION FACTORS FOR AWARD

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(c) If uncompensated overtime is included, whether the Offeror has an accounting system approved by DCAA specifying uncompensated overtime and an analysis of the average number of uncompensated hours worked in the past twelve months for the personnel proposed for uncompensated overtime.

(d) The Government will verify that the Offeror's identified travel and other direct costs are consistent with the proposed level of effort.

(e) Direct labor rates and indirect rates recommended by DCAA, except where the Government has documentation to support rates/costs other than those recommended by DCAA to assess the degree to which the cost volume reflects the approaches and/or risk assessments made in the technical submittal as well as the risk that the Offeror will provide the services for the proposed costs.

The Government will establish an evaluated cost by comparing the "Offeror's Proposed", and "Government's Evaluated" Cost Positions on a CLIN by CLIN basis and on total contract cost basis, explaining any differences between the two. If proposed cost is considered to be unrealistic in relation to the evaluated cost, the Government will adjust the Offeror's proposed cost for purposes of evaluation to reflect a more realistic cost position as reflected in the evaluated cost. Once the total evaluated costs is established, the Government shall determine the applicable award fee/fixed fee pool, as appropriate, for each CLIN.

### **M-4.5.1 EVALUATION OF COMPENSATION FOR PROFESSIONAL EMPLOYEES**

(a) Recompensation of service contracts may in some cases result in lowering the compensation (salaries and fringe benefits) paid or furnished professional employees. This lowering can be detrimental in obtaining the quality of professional services needed for adequate contract performance. It is therefore in the Government's best interest that professional employees, as defined in 29 CFR 541, be properly and fairly compensated. As part of their proposals, Offerors will submit a total compensation plan setting forth salaries and fringe benefits proposed for the professional employees who will work under the contract. The Government will evaluate the plan to assure that it reflects a sound management approach and understanding of the contract requirements. This evaluation will include an assessment of the Offeror's ability to provide uninterrupted high-quality work. The professional compensation proposed will be considered in terms of its impact upon recruiting and retention, its realism, and its consistency with a total plan for compensation. Supporting information will include data, such as recognized national and regional compensation surveys and studies of professional, public and private organizations, used in establishing the total compensation structure.

(b) The compensation levels proposed should reflect a clear understanding of work to be performed and should indicate the capability of the proposed compensation structure to obtain and keep suitably qualified personnel to meet mission objectives. The salary rates or ranges must take into account differences in skills, the complexity of various disciplines, and professional job difficulty. Additionally, proposals envisioning compensation levels lower than those of predecessor contractors for the same work will be evaluated on the basis of maintaining program continuity, uninterrupted high-quality work, and availability of required competent professional service employees. Offerors are cautioned that lowered compensation for essentially the same professional work may indicate lack of sound management judgment and lack of understanding of the requirement.

(c) The Government is concerned with the quality and stability of the work force to be employed on this contract. Professional compensation that is unrealistically low or not in reasonable relationship to the various job categories, since it may impair the Contractor's ability to attract and retain competent professional service employees, may be viewed as evidence of failure to comprehend the complexity of the contract requirements.

(d) Failure to comply with these provisions may constitute sufficient cause to justify rejection of a proposal.

## Section M – EVALUATION FACTORS FOR AWARD

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### M-5 PHASE II EVALUATION FACTORS (EVALUATION FOR OPTION EXERCISE)

Three factors will be evaluated when selecting the Offeror that provides the best value to the Government for Phase II. The factors are as follows:

Factor 1: Technical Capability and Approach  
 Subfactor 1: Technical Capability  
 Subfactor 2: Technical Approach  
 Factor 2: Program Management  
 Subfactor 1: Management Capability  
 Subfactor 2: Schedule  
 Subfactor 3: Small Business Subcontracting Plan  
 Subfactor 4: SBIR Insertion Plan  
 Factor 3: Price Reasonableness/Cost Realism  
 Subfactor 1: Cost Realism  
 Subfactor 2: Price Reasonableness  
 Subfactor 3: Life Cycle Cost

**Factors 1 and 2 are listed in descending order of importance (1 is more important than 2). Factors 1 and 2, when combined, are significantly more important than Factor 3, Price Reasonableness/Cost Realism.**

#### M-5.1 Technical Capability and Approach Factor Evaluation

Subfactor 1 is more important than Subfactor 2.

##### M-5.1.1 Subfactor 1: Technical Capability (all elements of this subfactor are of equal importance)

The Government will evaluate the following:

- Extent to which the system specification meets the requirements of the ORD, DRM and SOO.
- Extent to which the system specification reflects a complete understanding of the solicitation requirements, and is fully traceable to the statement of work, program management plan, and integrated master schedule.

##### M-5.1.2 Subfactor 2: Technical Approach (all elements of this subfactor are of equal importance)

The Government will evaluate the following:

- Comprehensiveness of proposed approach, and likelihood of successfully meeting the solicitation requirements
- Proposed database is scalable and flexible to meet the record requirements specified in the ORD. Rationale sufficiently supports proposal.
- Proposed data mart functionality and brokering mechanism is scalable and flexible to meet interface requirements in the ORD and DRM. Rationale sufficiently supports proposal
- Extent to which technical approach reflects a complete understanding of the solicitation requirements, and is fully traceable to the system specification, program management plan, and integrated master schedule

#### M-5.2 Program Management Factor Evaluation

Subfactors 1 and 2 are equal, but each is more important than Subfactor 3. Subfactors 1, 2 and 3 are each more important than Subfactor 4.

##### M-5.2.1 Subfactor 1: Program Management (all elements of this subfactor are of equal importance)

The Government will evaluate the following for this subfactor:

- Comprehensiveness of Program Management Plan, including the demonstrated likelihood of successful program management to meet the solicitation requirements

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- Extent to which Program Management Plan reflects a complete understanding of the solicitation requirements, and is fully traceable to the system specification, statement of work, and integrated master schedule
- Relevance of the qualifications and experience of the key personnel, and demonstrated likelihood of successful management to meet the solicitation requirements
- How well teaming and IPT plan demonstrates ability to resolve conflicts and issues at appropriate levels, and provides for open communication with the Government
- The extent to which the proposed Earned Value Management Approach has been demonstrated to successfully manage cost and schedule over the life of the contract

### **M-5.2.2 Subfactor 2: Schedule (all elements of this subfactor are of equal importance)**

The Government will evaluate the following for this subfactor:

- The extent to which the proposed Integrated Master Schedule demonstrates the ability to successfully achieve IOC on time, as well as other requirements identified in the solicitation.
- Validation and rationale for proposed schedule
- Extent to which integrated master schedule reflects a complete understanding of the requirements, and is fully traceable to the system specification, program management plan, and statement of work”

### **M-5.2.3 Subfactor 3: Small Business Subcontracting Plan**

The Small Business Subcontracting Plan provided by the Offeror under the clause in Section L-6 titled Small Business Subcontracting Plan will be evaluated. An Offeror that proposes a higher percentage, complexity level, and variety of participation by small business, HUBZone small business, small disadvantaged business, women-owned small business and veteran-owned business concerns will receive a higher rating on this sub-factor. An Offeror’s efforts to develop additional opportunities for small business, HUBZone small business, small disadvantaged business, women-owned small business, and veteran owned small business concerns will also be evaluated.

### **M-5.2.4 Subfactor 4: SBIR Insertion Plan (all elements of this subfactor are of equal importance)**

The Government shall evaluate the following:

- Degree SBIR insertion plan enhances competitive sourcing of SBIRs
- Relevance to DIMHRS (Pers/Pay) goals of proposed subsystems for technology insertion.
- Degree proposed subsystems for technology insertion promote competition.
- Degree proposed technology insertion is adaptable
- Relevance of technology upgrade cycles to DIMHRS (Pers/Pay) program goals.

## **M-5.3 Revised Price/Cost Factor Evaluation**

Subfactors 1 and 2 are equal. Together, subfactors 1 and 2 are significantly more important than subfactor 3.

### **M 5.3.1 Updated Price/Cost Proposal**

Evaluation of option periods does not obligate the Government to exercise the options.

The firm fixed priced CLINs will be evaluated for price reasonableness. In addition, the Government will review the Offeror's proposal for CLINs 0503, 0603, 0703, 0803, 0903, and 1003 to determine if the Offeror's proposal meets the requirements for those CLINs defined in Section C.

For the Cost Reimbursement CLINs', a cost realism analysis will be performed. Proposed costs may be adjusted, for purposes of evaluation, based upon the results of the Cost Realism evaluation. When this cost realism analysis is performed, the resulting realistic cost estimate shall be used in the evaluation. The purpose of the cost realism evaluation shall be (a) to verify the Offeror’s understanding of the requirements; (b) to assess the degree to which the cost/price proposal reflects the approaches and/or risk assessments made in the technical proposal as well as the risk that the Offeror will provide the supplies or services for the offered prices/cost; and (c) assess the degree to which the cost included in the cost/price proposal accurately represents the work effort included in the technical

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proposal, and/or other cost related information available to the Contracting Officer. An adjustment may be included for evaluation purposes as part of the Government's determination of the most probable costs to be incurred under the contract.

The evaluated cost represents the Government's determination of the most probable costs to be incurred under the contract. Each Offeror's evaluated cost (to include any subcontract effort) shall be computed by considering among other things:

- (a) The Government's independent cost estimate and historical data (if available).
- (b) A comparison of the Offeror's identified staffing in the cost volume with that presented in the Offeror's proposed key personnel, and staffing relationship to solicitation requirements in order to assess the degree to which the identified cost accurately represents the work effort required to meet the contract requirements.
- (c) If uncompensated overtime is included, whether the Offeror has an accounting system approved by DCAA specifying uncompensated overtime and an analysis of the average number of uncompensated hours worked in the past twelve months for the personnel proposed for uncompensated overtime.
- (d) The Government will verify that the Offeror's identified travel and other direct costs are consistent with the proposed level of effort.
- (e) Direct labor rates and indirect rates recommended by DCAA, except where the Government has documentation to support rates/costs other than those recommended by DCAA to assess the degree to which the cost volume reflects the approaches and/or risk assessments made in the technical submittal as well as the risk that the Offeror will provide the services for the proposed costs.

The Government will establish an evaluated cost by comparing the "Offeror's Proposed," and "Government's Evaluated" Cost Positions on a CLIN by CLIN basis and on a total contract cost basis for Phase II, explaining any differences between the two. If proposed cost is considered to be unrealistic in relation to the evaluated cost, the Government will adjust the Offeror's proposed cost for purposes of evaluation to reflect a more realistic cost position as reflected in the evaluated cost. Once the total evaluated costs is established, the Government shall determine the applicable award fee/fixed fee pool, as appropriate, for each CLIN.

### M-5.3.2

#### Life Cycle Cost

The government will evaluate, on an adjectival basis, the affordability, completeness, and substantiation of the Offeror's DIMHRS LCC. The government will consider the Offeror's DIMHRS LCC to be affordable so long as it does not exceed the LCC requirement in the DIMHRS Operational Requirement Document of \$\_\_ Million in then-year (TY) dollars. However, in rating the Offeror's estimated DIMHRS LCC, the government will not only consider the amount of the estimated DIMHRS LCC, but will also consider the completeness of the estimate (i.e., if the estimate contains all elements that contribute to LCC) and how well the Offeror has substantiated its estimate. An affordable estimate that is complete and well substantiated will receive a higher rating than an affordable estimate that is incomplete or not adequately substantiated.

### M-6 ADJECTIVAL AND RISK RATINGS

For both Phase I and II, except for Life Cycle Cost, the Price/Cost Factor will not receive adjectival or risk ratings. All other Factors will be assigned an adjectival and a risk rating.

Offerors are cautioned that an unsatisfactory evaluation in any single factor may result in the proposal being rated unacceptable overall. A deficiency in any one area of an Offeror's proposal will not necessarily be offset by strengths in other areas.

#### M-6.1 Adjectival Ratings

"Outstanding". The Offeror has convincingly demonstrated an exceptional understanding of the technical and management requirements, which demonstrates that the Offeror will fully meet program objectives. The response shows a complete understanding of the program goals and methods, resources, schedules and other aspects essential

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to performance of the program. In addition, the Offeror has convincingly demonstrated that the requirements have been analyzed, evaluated and synthesized into approaches, plans, and techniques, that when implemented, should result in exceptional, effective and efficient performance. There are no deficiencies and few weaknesses, if any, which are minor and are more than offset by strengths, and risk of unsuccessful performance is very low. “Outstanding” indicates that the response meets the expectations of the Government and the Offeror’s approach should fully meet or exceed the Government’s requirements.

For the Small Business Subcontracting Plan assessment, “Outstanding” indicates that the Offeror strongly supports small, small disadvantaged, veteran-owned small business, women-owned small business and HUBZoned small business concerns.

For Past Performance assessment, “Outstanding” indicates that the Offeror’s performance of previously awarded relevant contracts met contractual requirements and was accomplished with very few or very minor problems for which corrective actions taken by or proposed to be taken by the Offeror were, or are expected to be, highly effective. Performance of completed contracts either was consistently of the highest quality or exhibited a trend of becoming so. The Offeror’s past performance record leads to astrong expectation of successful performance.

“Good”. The Offeror’s response shows a nearly complete understanding of the program goals and methods, resources, schedules and other aspects essential to the performance of the program. The proposal has major and/or minor strengths that indicate the proposed approach will benefit the program. There are no deficiencies and few weaknesses, if any, which are minor and are sufficiently offset by strengths, and risk of unsuccessful performance is very low. “Good” indicates that, when implemented, the response should result in effective, efficient or economical performance under the contract and should produce results beneficial to the Government.

For the Small Business Subcontracting Plan assessment, “Good” indicates that the Offeror substantially supports small, small disadvantaged, veteran-owned small business, women-owned small business and HUBZoned small business concerns.

For Past Performance assessment, “Good” indicates that the Offeror’s performance of previously awarded relevant contracts met contractual requirements and was accomplished with some minor problems for which corrective actions taken by, or proposed to be taken by the Offeror were, or are expected to be, effective. Performance of completed contracts either was consistently of the highest quality or exhibited a trend of becoming so. The Offeror’s past performance record leads to an expectation of successful performance.

“Satisfactory”. The Offeror’s response is adequately responsive and indicates an adequate understanding of the program goals and the methods, resources, schedules and other aspects essential to the performance of the program. There are no deficiencies and the proposal’s weaknesses are fairly offset by strengths, and the risk of unsuccessful contract performance is low to moderate. “Satisfactory” indicates that the response contains neither exceptional features, nor innovations that could substantially benefit the program, nor weaknesses that would seriously diminish the quality of the work.

For the Small Business Subcontracting Plan assessment, “Satisfactory” indicates that the Offeror adequately supports small, small disadvantaged, veteran-owned small business, women-owned small business and HUBZoned small business concerns.

For Past Performance assessment, “Satisfactory” indicates that the Offeror’s performance of previously awarded relevant contracts met contractual requirements. Such prior performance was accomplished with some problems for which corrective actions taken by, or proposed to be taken, by the Offeror were, or are expected to be, effective. Performance of completed contracts was consistently of adequate or better quality or exhibited a trend of becoming so. The Offeror’s past performance record leads to an expectation of adequate performance.

“Marginal”. The Offeror’s response indicates a superficial or vague understanding of the program goals and the methods, resources, schedules and other aspects essential to the performance of the program. The proposal has weaknesses and/or deficiencies that are correctable. Although the proposal may have some strengths, the risk of unsuccessful contract performance is moderate. “Marginal” indicates that the response, as submitted, without correction of deficiencies, will fail to meet the requirements set forth in the solicitation and may be precluded from further consideration.



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For the Small Business Subcontracting Plan assessment, “Marginal” indicates that the Offeror somewhat supports small, small disadvantaged, veteran-owned small business, women-owned small business and HUBZoned small business concerns.

For Past Performance assessment, “Marginal” indicates that the Offeror’s performance of previously awarded relevant contracts did not meet some contractual requirements and resulted in some serious problems, for which the Contractor either failed to identify or implement corrective actions in a timely manner, or for which the corrective actions implemented or proposed were, or are expected to be, only partially effective. Performance of completed contracts was consistently of mediocre quality or exhibited a trend of becoming so. The Offeror’s past performance record leads to an expectation that successful performance might be difficult to achieve or that it can occur only with increased levels of Government management oversight.

“Unsatisfactory”. The Offeror’s response indicates a lack of understanding of the program goals and the methods, resources, schedules and other aspects essential to the performance of the program. The proposal has weaknesses and at least one deficiency. Although the proposal may have some strengths, the risk of unsuccessful contract performance is high. Substantial corrective action amounting to a wholly new proposal would be required to prevent the weaknesses and deficiency(ies) from adversely affecting the overall project. “Unsatisfactory” indicates that the response, as submitted, clearly does not meet the requirements set forth in the solicitation, is incapable of being made acceptable absent substantial corrective action, and should be precluded from further consideration.

For the Small Business Subcontracting Plan assessment, “Unsatisfactory” indicates that the Offeror does not support small, small disadvantaged, veteran-owned small business, women-owned small business and HUBZoned small business concerns.

For Past Performance assessment, “Unsatisfactory” indicates that the Offeror’s performance of previously awarded relevant contracts did not meet most contractual requirements. Such prior performance reflected serious problems for which the Offeror either failed to identify or implement corrective actions, or for which corrective actions were, or are expected to be, mostly ineffective. Performance of completed contracts was consistently of poor quality or exhibited a trend of becoming so. The Offeror’s past performance record leads to a strong expectation that successful performance will not be achieved.

### “Neutral”

For the Small Business Subcontracting Plan assessment, “Neutral” indicates that the Offeror is a small, small disadvantaged, veteran-owned small business, women-owned small business or HUBZoned small business concern and is not required to submit a small business subcontracting plan.

For Past Performance assessment, “Neutral” indicates that the Offeror lacks a record of relevant or available past performance history. There is no expectation of either successful or unsuccessful performance based on the Offeror’s past performance record.

### **M-6.2 Risk Rating Definitions**

The risk ratings assess the risks and weaknesses associated with each Offeror’s proposed approach to performing the requirements stated in the solicitation. It is an assessment provided at the factor level, for all factors other than Price/Cost.

For Technical Capability and Approach and Management Capability and Approach Factors, the following ratings will be used:

“Low Risk” The proposal has little potential to cause disruption of schedule, increase in cost, or degradation of performance. Normal Contractor effort and normal Government monitoring will probably be able to overcome difficulties.

“Moderate Risk” The proposal can potentially cause some disruption of schedule, increase in cost, or degradation of performance. However, special Contractor emphasis and close Government monitoring will probably be able to overcome the difficulties.

“High Risk” The proposal is likely to cause significant serious disruption of schedule, increase in cost, or degradation of performance even with special Contractor emphasis and close Government monitoring.

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For the Past Performance Factor, the following risk rating definitions will be used:

“Low Risk” Little doubt exists, based on the Offeror's performance record, that the Offeror can perform the proposed effort.

“Moderate Risk” Some doubt exists, based on the Offeror's performance record, that the Offeror can perform the proposed effort.

“High Risk” Significant doubt exists, based on the Offeror's performance record, that the Offeror can perform the proposed effort.

“Not Applicable” No performance record identifiable. A thorough search was unable to identify any past performance information.

**M-7 52.217-5 – EVALUATION OF OPTIONS (JUL 1990)**

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

**M-8 BASIS OF SELECTION FOR AWARD (BEST VALUE)**

The contract award resulting from this solicitation will be to that responsible Offeror whose offer conforming to the solicitation, is determined to provide the overall "best value" to the Government, technical, cost and other factors considered. Such award may not necessarily be the proposal offering the lowest cost or receiving the highest technical rating.

Proposals will be rated and ranked on the evaluation factors listed in the Section M clauses above. Although all evaluation factors other than cost or price, when combined, are of greater importance than cost or price, cost is a relevant factor and should be considered when preparing responsive proposals.

**Note that the Government will not award a contract to an Offeror's team that has an organizational conflict of interest unless an approved mitigation plan is on file with the Contracting Officer.**